DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

FOURTH SESSION—FOURTEENTH PARLIAMENT

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OTTAWA
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1925

HOUSE OF COMMONS

DEBATES

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Thursday, June 11, 1925

The House met at three o'clock.

RAILWAYS AND SHIPPING

Mr. W. D. EULER (North Waterloo): I beg to present the third and final report of the select standing committee on Railways and Shipping, and as it is necessary that a motion be made for the printing of it, I would suggest that the reading of the report be dispensed with at this time. I move, seconded by the hon. member for St. James (Mr. Rinfret), that the House concur in the recommendation contained in the last paragraph of the said report respecting the printing, as an appendix to the Journals of the House, of the proceedings of and evidence taken by the said committee.

Motion agreed to.

PRIVILEGES AND ELECTIONS

Mr. JOSEPH ARCHAMBAULT (Chambly and Vercheres): I move, seconded by the hon. member for L'Islet (Mr. Fafard), that the select standing committee on Privileges and Elections be given leave to sit while the House is sitting.

Motion agreed to.

ALLEGED POTATO COMBINE

Hon. JAMES MURDOCK (Minister of Labour): I beg to lay on the table of the House the interim report by the registrar appointed under the Combines Investigation Act, 1923, of his investigation into an alleged combine operating to limit competition in connection with the marketing of the New Brunswick potato crop.

PRIVATE BILLS

FIRST READINGS

Bill No. 184, from the Senate, respecting The Calgary and Fernie Railway Company.—Mr. Hudson.

Bill No. 185, from the Senate, for the relief of George William Quibell.—Mr. Stewart (Hamilton).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN NATIONAL RAILWAYS—NEEBING YARD

Hon. Mr. MANION:

1. How much was spent by the Canadian National Railways on the railway yards, round house, buildings and other works in the township of Neebing, just west of Fort William?
2. When were these works completed?
3. How long have they been made use of?
4. Is it true that they are being closed up at the present time?
5. If so, what are the reasons?
6. If closed now, when will they put back into operation?

Hon. Mr. GRAHAM:

1. $1,305,053.
2. September 16, 1923.
3. Since September 16, 1923.
4. Partially.
5. No grain moving.
6. With grain movement in the fall.

QUEBEC HARBOUR

Mr. HOEY:

1. What number of ocean steamers loaded or discharged passengers or cargo during the month of May last, in Quebec?
2. What was the average length of stay in port per steamer?

Hon. Mr. COPP:

1. Seventy-two.
2. Thirty-one hours.

CANADIAN NATIONAL RAILWAYS—BROADCASTING

Mr. DOUCET:

1. What number of persons are employed by the Canadian National Railways in connection with their broadcasting stations?
2. How many persons are employed by the Canadian National Railways in connection with the receiving sets operated on trains?
3. How many trains are equipped with receiving sets?
4. Between what points do trains equipped with receiving sets operate?
5. Is the use of such receiving sets limited to passengers travelling by parlor or pullman car?

REVISED EDITION

Hon. Mr. GRAHAM:

1. Nine.
2. Thirty-six operators.
3. Nine trains, or thirty-seven cars.
4. Montreal and Vancouver; Toronto and Winnipeg; Halifax and St. John; Montreal and Chicago; Montreal and Quebec.
5. Yes.

SCREENINGS—HEAD OF THE LAKES

Hon. Mr. MANION:

What was the price of the different grades of screenings at head of lakes in each of the years 1920, 1921, 1922, 1923 and 1924?

Hon. Mr. LOW:

The board has no information available other than the daily published quotations of the Winnipeg market. A prominent shipper of screenings has furnished the following records of the range of prices of actual purchases:

	Per ton
1920—	
Refuse screenings..	$ 2 50 to $28 00
Standard recleaned screenings..	13 00 to 56 00
1921—	
Refuse screenings..	1 00 to 5 00
Standard recleaned screenings..	5 50 to 14 50
1922—	
Refuse screenings..	Nil to 7 00
Standard recleaned screenings..	6 00 to 14 00
1923—	
Refuse screenings..	3 00 to 8 50
Standard recleaned screenings..	10 00 to 16 50
1924—	
Refuse screenings..	50 to 10 50
Standard recleaned screenings..	12 00 to 22 00

Hon. Mr. MANION:

1. What was the total amount of screenings from all the elevators at the head of the lakes in the years 1923 and 1924?
2. How many tons of screenings were sold at head of lakes for local feeding of stock?

Hon. Mr. LOW:

1. The total amounts of dockage as set by the chief inspector, on grain unloaded at all elevators at the head of the lakes, after allowing for separations of commercial grain, were:

Crop Year	Tons
1922-23..	179,550
1923-24..	253,956

[Mr. Doucet.]

2. The total quantities shipped from the elevators for local consumption were:

Crop Year 1922-23:	Tons
Standard re-cleaned screenings.. .	39½
Elevator scalpings..	30
Elevator screenings..	2,062½
Total..	2,132

Crop Year 1923-24:	Tons
Standard re-cleaned screenings.. .	4
Elevator screenings..	215
Refuse screenings..	298
Total..	517

The actual quantities used for feed are not shown.

QUESTIONS PASSED AS ORDERS FOR RETURNS

COLONEL A. H. BORDEN

Mr. BLACK (Halifax):

1. Is Colonel A. H. Borden, lately Assistant Officer Commanding at Toronto, now in receipt of pay and and allowances from the Militia department?
2. If not, on what date did he retire?
3. On what grounds was retirement sanctioned?
4. What is the amount of his retiring allowance?

Right Hon. Mr. MEIGHEN: Mr. Speaker. this of all questions on the order paper would be about the shortest to answer; I would think also about the easiest, so far as the material is concerned, to obtain. I do not see why that should be made an order for return; it is conspicuously one that should not be.

Hon. Mr. MACDONALD (Pictou): Paragraph 3 of the question will involve a long statement. I undertake to bring down the return at once.

EXPENDITURES ON PUBLIC WORKS

Mr. COOTE:

What amount has been expended in each province since confederation on (a) harbours and rivers; (b) dredging; (c) canals; (d) public buildings; and (e) graving docks and dry docks?

TRAINING CAMPS

Mr. CHURCH:

1. Are any June or other training camps being held for the militia?
2. If so, where and for what units and length of time?
3. What will be done this year for artillery units as to training?

STE. FLORENCE STATION—FREIGHT

Mr. PELLETIER:

1. How many pounds of freight were shipped from Ste. Florence, Métapédia county, during 1922, 1923 and 1924, respectively?

2. How much of that freight did the National Railways of Canada receive as their share?

3. How many pounds of freight from that station were shipped f.o.b. Ste. Florence, and what share thereof did the National Railways receive?

4. What was the quantity in pounds of freight shipped, and paid on delivery?

5. How many cars were shipped and received at Ste. Florence in each of said years?

6. What was the revenue from sale of passenger tickets in same period?

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, can the government give us any information with regard to this Canadian Press despatch from Glace Bay:

Glace Bay, N.S., June 11.—After a pitched battle lasting upwards of fifteen minutes, striking United Mine Workers of America miners recaptured the New Waterford power house station, shortly after noon to-day, and early this afternoon were in complete charge of the plant. One man, William Davis, was killed and another, Gilbert Watson, was shot in the stomach and severely injured. A number of the company's police were injured.

Does not this constitute a state of civil war? And how far must it go before the government will intervene?

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, we have telegraphic advice indicating that the facts are about as stated by my hon. friend. I assume that the provincial government is closely in touch with the situation, and will indicate, as is its right, if the situation is such that it desires any assistance of this government.

Mr. JOS. T. SHAW (West Calgary): Mr. Speaker, I am sure that a number of hon. members are very much worried about the situation in Nova Scotia. I would ask the Minister of Labour if he proposes to keep in close touch with the situation so that in the event of the failure of the provincial government to preserve the interests of all concerned, he will then be in a position to take appropriate action?

Mr. MURDOCK: Mr. Speaker, we have been keeping in close touch with the situation, but I think we have a right to assume that the provincial government, having direct authority and control and being immediately interested, is entirely competent to deal therewith. I could not suggest to my hon. friend that in certain eventualities we might change our attitude.

ROUYN RAILWAY

On the Orders of the Day:

Mr. E. A. LAPIERRE (Nipissing): Mr. Speaker, I wish to direct the attention of the Minister of Railways (Mr. Graham) to this article in the Globe of Saturday, June 6:

Hon. G. H. Ferguson's announcement that the Dominion government was not disposed to give approval for the Nipissing Central railway extension into Rouyn came as somewhat of a surprise after the supposedly well-informed buying of Noranda shares on Thursday had carried that stock up to a new high record price.

Has the minister any further information on this subject?

Hon. GEORGE P. GRAHAM (Minister of Railways): Mr. Speaker, the situation, I think, has been fairly well stated before. The Nipissing Central Railway Company, owned by the Ontario government, asks the federal government to pass an order in council giving them the right to proceed upon crown lands belonging to the province of Quebec, through which they may build a railway. The province of Quebec takes very strong exception to the right of the federal government to pass any such order in council. The government has decided to refer the matter to the Supreme court to decide what are the rights of the respective parties.

Mr. MEIGHEN: Has the government not frequently, and indeed as a matter of course, passed those orders at other times?

Mr. GRAHAM: Not under similar circumstances. I am told that on one occasion they did pass an order in council allowing the Canadian Pacific to enter upon crown lands. But the province of Quebec takes the stand very strongly that the cases are not similar.

Mr. MEIGHEN: What is the difference?

Hon. ERNEST LAPOINTE (Minister of Justice): There was no opposition in the first case. Also, it was many years ago. I associate myself with what my colleague the Minister of Railways has said. The two provinces are taking absolutely opposite positions in the matter. The law authorities of the province of Quebec claim that this government has no right to confer authority on the railway company to take possession of provincial crown lands. On the other hand, the law officers of the province of Ontario claim that not only has this government power to do so, but it has no discretion in the matter, it has no right to withhold consent. In view of these two important provinces taking such different attitudes on a question of law, I

think the only reasonable course is for us to submit the question to the Supreme Court of Canada for decision.

Sir HENRY DRAYTON: Was an opinion taken from the law officers of the crown?

Mr. LAPOINTE: The law officers followed the advice of the government to submit the question to the Supreme Court of Canada.

RURAL CREDITS

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, some few days ago the hon. member for Battle River (Mr. Spencer) asked the Acting Minister of Finance (Mr. Robb) when the government proposed to introduce rural credit legislation. The acting minister answered:

I think I will be able to give my hon. friend a reply this week.

It is now Thursday. I would ask the Acting Minister of Finance if he proposes to introduce rural credit legislation to-morrow.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, I recall that I said to my hon. friend from Battle River that I hoped to be able to give him a reply this week. I still hope so. But may I point out to the hon. gentleman that the officer who was particularly interested in this legislation and was working on it for me has been attending the Banking and Commerce committee and other committees, while I have been busy here and have not had time to talk it over with him. I think he has his report ready.

Mr. GARLAND (Bow River): Until to-day the Banking and Commerce committee has not sat for some time.

Mr. ROBB: Other committees have.

ALLEGED POWER MERGER

On the Orders of the Day:

Sir HENRY DRAYTON (West York): I desire to call the government's attention to a press despatch to the effect that a large holding company is being formed of the power interests on the American side of the line and that their application disclosed the fact that their purpose was to anticipate a treaty with the Canadian government by which the amount of water to be diverted from the Niagara for power use would be doubled, and that success was so far anticipated that they had already purchased land rights from Niagara Falls to Lewiston and had also bought out the Great Gorge railway route so as to be ready for development of the new overland power route as soon as the proposed treaty was consummated. I would like to ask whether the negotiations have gone to such a point as to justify these large investments; what the situation is, and whether the draft treaty can be given to the House.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The mention my hon. friend has just made of such a treaty is the first I have ever heard of anything of the kind in contemplation.

COPYRIGHT ACT AMENDMENT

On the Orders of the Day:

Mr. L. J. LADNER (Vancouver South): I would like to ask the Prime Minister or the Minister of Trade and Commerce if it is the intention of the government to bring down, or allow to be brought down, before the conclusion of the present session, the Copyright Bill No. 2, which was before the House last year and which has been unanimously reported on by the select standing committee after the taking of a lot of evidence. This is a matter which is of interest to a large section of the people from one end of the country to the other.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government's intention is to proceed with government measures almost exclusively from now on. We will have to decide in the light of developments what may be possible with private measures.

INQUIRY FOR RETURNS

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): There is a long list of orders which have passed this House, some of them three or four months ago, and which are not yet complied with. So far as those that were moved by hon. members in the party which I lead are concerned, I propose to call them to the attention of the government all at once and thereby avoid several members rising for the purpose. We are close, at all events comparatively, to the end of the session, and from the length of this list it would appear as if the session is to die without compliance with the orders of the House at all. I hope that is not the case.

One was passed on February 23 on the motion of the hon. member for Burrard (Mr. Clark), regarding the number of acres of land belonging to the Dominion transferred to Ontario and on what date the transfers

were made; the consideration paid; the cost to Canada of administering and developing said lands prior to transfer, and so forth. It is an order which it would take some time to prepare, but not the time that has already lapsed.

Another was passed on March 2, asking for the amount of duty paid by American railway companies on American rolling stock used in Canada in the past twenty-six years; the names of such companies, the character of the rolling stock, and amounts; moved by the hon. member for West York (Sir Henry Drayton).

Another, on the same date, was moved by the hon. member for Kingston (Mr. Ross), for the report of the investigation by David Campbell, K.C., concerning coal supplies; another moved by the hon. member for Parry Sound (Mr. Arthurs) on the same date, was for a return showing the payment for services of David Campbell and D. R. MacLean during such inquiry; another, moved on March 4 by the hon. member for Kingston (Mr. Ross), with regard to the cost of the investigation held by David Campbell into such coal matters affecting military district No. 10; another moved on the same date by the hon. member for Parry Sound (Mr. Arthurs) asked for a statement of the cost of the coal inquiry at Tuxedo Barracks, Winnipeg; the amount the commissioners received, and whether the government received objection to the amount paid from Winnipeg or elsewhere.

Another moved on March 9, by the hon. member for Yukon (Mr. Black), for the correspondence respecting exemption from payment of income taxes on payments or remuneration, whether paid as salary, living allowance or otherwise, by the government of Canada to officials of the Yukon.

Another moved on the 9th of March by the hon. member for West Algoma (Mr. Simpson) with respect to the number of motor cars purchased by the government since January 1, 1912.

Another moved on the 11th of March by the hon. member for Kent, N.B. (Mr. Doucet), as to the tenure of office and names of officers commanding the military districts of Halifax, St. John, Toronto, and other military districts; another moved by the same hon. member, on the same day, for the name, rank, position and pension of each officer on the staff at headquarters at Ottawa, and so on.

Another moved on March 16 by the hon. member for Kent, N.B. (Mr. Doucet), for the correspondence between the Department of Marine and others regarding services rendered in saving lives by Tiburce Mallet of Ste. Marie, Shippigan Islands, N.B.

Another by the hon. member for Charlotte (Mr. Grimmer) for a return for the months of May and June, 1924, showing invoiced value of importations into Canada of canning machinery leased by the Customs department.

Another moved on March 30, by the hon. member for Vancouver Centre (Mr. Stevens), for a copy of correspondence between the Department of National Defence or the Department of Justice and the Canadian Coal Sales Company, Limited.

Another moved on March 30, by the hon. member for Parry Sound (Mr. Arthurs), for a copy of all letters, telegrams, papers and other documents between the government of Canada and the mine workers of Cape Breton.

Another moved on April 22, by the hon. member for South Oxford (Mr. Sutherland), with respect to the total amount spent by the present government since coming into office for public printing, aside from that done by the Printing Bureau, and other data.

Another moved on April 22, by the hon. junior member for Halifax (Mr. Black), for a copy of all correspondence, reports, documents, and so forth, passing between the Department of Justice and any other departments of the government, or ministers, or any other parties whatsoever, within the past six months, relating to the appointment of Inspector of Penitentiaries and the refusal to accept for such appointment Col. Eric W. MacDonald, of Halifax.

Another on the same day, by the hon. member for Vancouver Centre (Mr. Stevens), for a copy of all correspondence and documents passed between the governments of Roumania and Greece and the government of Canada, or the High Commissioner, regarding the adjustment of outstanding debts of these countries to Canada.

Another by the hon. member for New Westminster (Mr. McQuarrie), on April 27, for a return showing the number of civil servants eligible to come under the provisions of the Civil Service Superannuation Act, 1924—just the number.

Another on April 27, by the hon. member for Kent, N.B. (Mr. Doucet), for a copy of all correspondence and other documents in relation to the appointment of the new postmaster at St. Ignace.

Another on May 6, by the same hon. member—I am only going to give those which were passed up to a month ago; I shall not proceed on the assumption that any passed since are grossly in arrears—for all

correspondence, statements of investigation, court proceedings, reports, and so forth, in possession of the Departments of Customs and Justice regarding the alleged violation of law in respect to intoxicating liquors in or upon any bonded warehouse at Halifax.

Another by the hon. member for York-Sunbury (Mr. Hanson), May 6, for correspondence from the Department of Public Works with respect to the wharf at Matane.

Another by the hon. member for Fort William and Rainy River (Mr. Manion), for a copy of all reports and memoranda with respect to Wrangel island, passed on May 11.

Another on the same day by the hon. member for Vancouver Centre (Mr. Stevens), for an order showing statement made out by Messrs. Wilson & Wilson as auditors covering the operation of No. 1 elevator—I understand that came down to-day.

Another by the hon. junior member for Halifax (Mr. Black), with respect to federal money expended by the National or Quebec Battlefields Commission in Quebec and how much in the Maritime provinces.

Another on May 11, by the hon. member for Vancouver Centre (Mr. Stevens), respecting the number of grain elevators owned or operated by the Dominion government, by the Harbour Commissioners or by the Canadian National Railway, or sublet from any of the above.

This is a rather formidable list, and it applies only to those moved from this side of the House up to a month ago. I would like some statement as to the cause of so many of them being so far back, and when we may expect them.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The list read by my right hon. friend is a somewhat lengthy one, but it does not compare with the list of returns that have already been brought down. If there has been delay, it is due to the fact that the number of returns asked for this session has been exceedingly large, and some of them have been very heavy. Only to-day the members of the government were discussing this very matter with a view to expediting the bringing down of returns, and the different departments have been asked to make a special effort to have the orders filled as rapidly as possible.

BUSINESS OF THE HOUSE

FURTHER LEGISLATION

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Will the government state to-day whether they have any more legislation intended to be introduced this session, and if so what?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think everything that is of any importance is on the order paper There is one little measure that the Acting Minister of Finance spoke of to-day with respect to the Battlefields Commission, also one with respect to the Audit Act, very small amendments, I think. Apart from that, I think the legislation is all down at the present time.

Mr. MEIGHEN: I am sure that will be interesting news to the hon. member for Bow River (Mr. Garland).

Mr. GARLAND (Bow River): What about rural credits?

Mr. MACKENZIE KING: I omitted to say that it is the intention of the government to bring down a measure on rural credits.

Hon. ERNEST LAPOINTE (Minister of Justice): I may also have a bill relating to a home for girls in the Maritime provinces, but it will not be controversial.

ANTI-DUMPING—REFUNDS

On the Orders of the Day:

Mr. J. L. STANSELL (East Elgin): I notice in a recent issue of the Canadian Countryman the report of an address delivered by Mr. L. E. Taylor, Secretary of the British Columbia Tomato Growers' Association, to members of the Ontario Vegetable Growers' Association, in which he states in regard to the dumping of fruits and vegetables, that where fines have been imposed in the usual course, the government has remitted these fines in full. I should like to know if that is the general practice followed in regard to dumping, or is it applied only in the case of products of the farm? His statement is that the fines have been remitted in full in every case of dumping of fruits and vegetables from the United States.

Hon. P. J. A. CARDIN: The answer to the question is, no.

INCOME WAR TAX ACT, 1917.

REPEAL OF SECTION 25 CONSTITUTING LIEN UPON ASSETS OF TAX PAYER

Hon. J. A. ROBB (Acting Minister of Finance) moved the third reading of Bill No. 183, to amend the Income War Tax Act, 1917.

Mr. W. C. GOOD (Brant): Before this bill is read a third time, I think I should make a statement. When the bill was up for its

second reading, I suggested that in view of the fact that the committee on Public Accounts might have under consideration certain other amendments to the Income War Tax Act, it might be advisable to leave the bill over until those other possible amendments could be incorporated with the present bill. Since then I have had some conversation with the Acting Minister of Finance, and I understand that he is quite willing that any recommendations coming from the committee, when it is empowered to consider the matter, will be given sympathetic consideration by the government. I have already given notice of a motion to authorize the committee to consider amendments to the act, but I should like before the third reading of this bill is gone on with to have some assurance from the minister that the motion of which I have given notice will not be opposed by the government, and that the government is prepared to consider sympathetically any suggestions that may come from the committee. I have no opposition to the present bill so far as it goes, and my only reason for asking for delay is that there may be other amendments which we might wish to incorporate in this bill. I would like to have a statement from the Acting Minister of Finance on that.

Mr. ROBB: It is quite true, as the hon. member for Brant (Mr. Good) says, that he came to me and discussed this matter, and I think I convinced him that it was important that this legislation at least should go through. I would not like to commit myself to saying that the government will support any recommendation that is brought in. My recollection is that I said to my hon. friend that it seemed to me a request for an extension of the reference to the committee on Public Accounts should come from the committee itself, and not from individual members of the committee, and I assured him that I would be prepared to consider that when it was submitted in that way through the chairman of the Public Accounts committee.

Mr. GOOD: The chairman of the committee is here. I understood the motion of which notice was given in the House yesterday, was agreed to by the chairman.

Motion agreed to and bill read the third time and passed.

BANKRUPTCY ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 146, to amend the Bankruptcy Act.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Marcil in the chair.

On section 1—Short title.

Mr. CAMPBELL: No copies of this bill have been distributed.

Mr. LAPOINTE: Oh yes. They have been on the files for two weeks.

Mr. STEVENS: It is a Senate bill.

Section agreed to.

On section 2—Interpretation.

Mr. GOOD: There has been some little difficulty in locating this bill, Mr. Chairman. I would ask the Minister of Justice, who is in charge of the bill, whether this is the amendment that was recommended by the Banking and Commerce committee at the close of last session.

Mr. LAPOINTE: Not this section.

Mr. GOOD: What section are we on? I cannot hear the chairman.

The CHAIRMAN: I have just read section 2.

Section agreed to.

On section 3—Appointment of interim receiver.

Sir HENRY DRAYTON: I think we should have an explanation of this section, it seems to be unnecessary.

Mr. LAPOINTE: This is to prevent a conflict which has happened on some occasions. When an authorized assignment is made, the official receiver appoints a custodian. Now, nothing prevents a creditor from presenting a petition afterwards to declare the debtor bankrupt, and then under section 5 of the act an interim receiver may be appointed. A contest then develops between the interim receiver and the custodian. Their duties are the same, and there is no necessity or even justification, for appointing an interim receiver when a custodian has been already appointed by the official receiver. This is suggested by Mr. Justice Panneton, a judge in bankruptcy in Montreal, and many others.

Sir HENRY DRAYTON: I entirely agree with what my hon. friend says. It is the height of ridiculousness to have two officials, and to have duplication and two sets of costs. Suppose the section were to read thus?—

The court may, if it be shown to be necessary for the protection of the estate. . . . appoint an interim receiver.

As my hon. friend points out we are now saying that this is not to be done if there is a custodian there already If there is a custodian there it never could be shown to be necessary This provision seems to me to be flying in the face of common sense. It does seem to me that the House is called upon to say there are some judges so stupid that notwithstanding the fact there is already a court officer appointed for the purpose of looking after the estate they may appoint another one although they have no jurisdiction to make any appointment whatever except in case of necessity. If my hon. friend, as Minister of Justice and the shepherd of the administration of justice in this country, says that such a thing is necessary for our courts why there is an end to it, but it seems to be ridiculous.

Mr. LAPOINTE: It appears that if not necessary it is expedient to have it.

Sir HENRY DRAYTON: Well, I am sorry to know that there is necessity for such expedient.

Section agreed to.

On section 4—Administration of insolvent farmers' estates by provincial government officer.

Mr. COOTE: Before the section carries I should like to ask the minister if he would not make some change in subsection (3) of this section which reads:

In case any such provincial officer is appointed custodian and trustee, he shall not be entitled under this act to be paid any remuneration as custodian or trustee nor any of the costs enumerated as costs of custodian in part 3 of the general rules.

As I understand the subsection the provincial officer who becomes trustee under this act will not be allowed to collect any fees whatever for the work he may have in connection with the administration of that estate. It seems to me that would be putting quite a burden upon the provincial government. We all know that the provincial governments in western Canada are hard up. I think however, they would not object to paying a custodian's expenses in such cases, for instance, as those where the estates were not sufficient to cover these costs; but surely they should be entitled to a fee which would cover their office expenses in connection with these estates which they do administer. I do not think there would be any desire on the part of the provincial government to make any money out of this scheme; but I think there should be provision made here to entitle them to such fees as were necessary to pay for the expenses they must incur in the administration of these estates. I should like to ask the minister if he would not make some amendment which would permit that.

Mr. LAPOINTE: The justification for this amendment is that it is intended to reach a special case where the farmers referred to in the section have not sufficient property to warrant the administration of their estate in the usual way. The argument advanced was that it would not cost anything and that the provincial officer would be paid by the province. The section has been accepted with that understanding. It is exactly what was recommended by the committee on Banking and Commerce last year. It is also what was suggested by the Canadian Council of Agriculture, and, I think, by my hon. friend himself last year.

Mr. COOTE: I have been in consultation with the Attorney General for the province of Alberta regarding this act, and I think he is very pleased with the amendments that are being brought down, with the exception of this one. The reason that many farmers could not take advantage of the Bankruptcy Act was, that when they went to the trustee they were required by him to place in his hands, as a deposit to guarantee his expenses, possibly $100 and in some cases $150. This amendment would obviate that difficulty. The provincial officer who acts as trustee under the act would now receive that man's application for bankruptcy without requiring any deposit; but after he has administered the man's affairs, and in some cases incurred considerable office expenses, why should the provincial government be required to pay the whole of that and not collect any fees? That is the only change I should like to see in this section.

Mr. LAPOINTE: I do not think there would be any justification for compelling the appointment of that provincial officer if he is not to charge fees as any other trustee would.

Mr. COOTE: There is no compulsion, is there, under this legislation?

Mr. LAPOINTE: Oh, yes. It is provided that:

—the official receiver shall, in the case of any assignment by a person engaged solely in farming or the tillage of the soil, appoint such officer as custodian.

Of course, if he is not doing his work properly, under another section of the act the creditors may replace him in the ordinary way, or the court may replace him; but from the start the official receiver has no option —he must pay that provincial officer.

Mr. GARLAND (Bow River): In this particular case I am, for at least once, in hearty accord with the minister. I think it would be dangerous at least to do as suggested, although I do not argue that it would be followed necessarily by any unfair practices. I should be glad to see this legislation stand as it is now. I do not want to put in the hands of any provincial government, whether a Farmer government or any other kind of government, the power to make an assignment in order to pay the custodian in cases of the extreme kind for which this legislation is proposed.

Mr. CAMPBELL: I find myself thoroughly in agreement with the minister in this case. In Saskatchewan we have an adjustment bureau which is already handling many cases of this kind, and I think the authorities have already intimated that they would handle these cases without cost. I see no particular trouble in Saskatchewan.

Mr. McTAGGART: My understanding is along this line: That the chief difficulty to-day in the way of the farmers being able to take advantage of the provisions of the Bankruptcy Act is caused by the fact that their assets must represent fifty per cent of their liabilities; and if their assets do not represent fifty per cent of the liabilities they will not, under the law as it stands to-day, be granted a clearance by the court. Is that right?

Mr. LAPOINTE: The judge has a certain discretion in the matter. Ordinarily the farmer would have to wait two years to get his discharge, if his assets were not fifty per cent of his liabilities, but the judge might shorten that period.

Mr. McTAGGART: Is it not the fact that the assets must represent at least fifty per cent of the liabilities before he will be granted a discharge?

Mr. LAPOINTE: He cannot be granted a discharge immediately unless the assets are fifty per cent of the liabilities; the law provides that he will have to wait two years for his discharge, but if that is the only reason why the discharge cannot be granted immediately, the judge has a discretion in the matter, and may shorten the time.

Mr. McTAGGART: At the expiration of two years may the judge grant the discharge?

Mr. LAPOINTE: Yes.

Mr. McTAGGART: I am glad to hear the minister say that, but there are not many farmers in western Canada whose assets would amount to fifty per cent of their liabilities. For that reason, if the provisions of the law were to remain as they are, they would not be of very much use to the farmer who desired to take advantage of it.

Mr. COOTE: I cannot oppose this measure, but I think the minister is wrong in contending that the provincial government should bear the expense of putting all these farmers through bankruptcy. I argued this case with my hon. friend's predecessor in office some time ago, when I wished him to appoint an official receiver who would receive assignments from the bankrupt farmer who could not afford to put up the deposit required, and the then Minister of Justice (Sir Lomer Gouin) said:

> I cannot agree with you that it is a right principle that the government should pay for putting people through bankruptcy.

That is what he is compelling the provincial government to do through this act. If the man has some estate, and goes to this officer and has him act as his trustee in bankruptcy, why should that officer not be entitled to some fee to cover the out-of-pocket expenses in administering the estate of this man? In some cases there is considerable expense and under the act the provincial government has to pay all the expenses which may be incurred in connection with the case. I think that the man's estate, if it is worth anything, should pay the expenses, and I cannot see that there is any need to place it all on the provincial government. I am sure the provincial government will accept it, if that is the best they can get, to help out the bankrupt farmer, but it is putting an unfair burden on the government.

4 p.m.

Mr. LAPOINTE: I am afraid I will have to give up any hope of ever having my hon. friend agree with me on anything. I thought I had struck a policy in this case on which my hon. friend would be compelled to side with me, because he has taken a large part in discussing these matters. He knows that last year I was very strong in my acceptance of his suggestion. I have accepted it, and I came here this afternoon absolutely certain that I would have his commendation.

Mr. COOTE: I would like to give my commendation to the minister. I want to congratulate him for bringing down this act. I simply thought that this act was not quite perfect, and I wished to draw his attention to it. I want the act to go through, but I feel that the provincial government is going to have to pay a little more than their share.

Mr. CAMPBELL: Is not the Alberta government already handling the estate through the Debt Adjustment Bureau?

Mr. COOTE: They are handling cases in the Debt Adjustment Bureau, but I do not know who pays the expenses.

Mr. SHAW: My hon. friend from Macleod (Mr. Coote) was associated with me when we prepared for the committee the necessary legislation, which was subsequently approved by the Banking and Commerce committee, and our purpose was to prevent the loading of costs upon the unfortunate individual who required to come under the provisions of the Bankruptcy Act. At that time I understood that the Attorney General of Alberta was not unwilling to assume whatever obligation there might be in taking care of those cases where the farmers were in a difficult and precarious position. I think the minister's legislation is entirely in order, and I would hate to see him withdraw it now that he has brought it in.

Section agreed to.

Sections 5 and 6 agreed to.

On section 7—Dealings with undischarged bankrupt.

Sir HENRY DRAYTON: What does this really mean?

Mr. LAPOINTE: This provision really should have been made in 1923. It simply adds the words "or authorized assignor" after the word "bankrupt". The man who has assigned to the official receiver is not in the same position as the man against whom a receiving order has been made.

Section agreed to.

Sections 8 to 10 inclusive agreed to.

On section 11—Power to Minister of Justice to authorize certain judges to exercise powers of the court, etc.

Mr. LAPOINTE: This section has been strongly recommended by many members of the House including my hon. friend from South Simcoe (Mr. Boys). The opinion is that in certain districts the county court judge should be authorized to act, and we are taking the power to appoint county court judges when advisable.

Sir HENRY DRAYTON: It is a good thing in the first instance to have as far as possible a central clearing house for insolvency matters until such time as the practice is settled, because it would hardly be advisable to have one bankrupt treated in one way and some other bankrupt treated differently. But once the practice has become well established, it seems to me that we could save money by decentralizing the procedure. And I should think that under the act as it now stands the jurisprudence ought to be pretty well understood. I can see the value of the amendment. But how will it work out? Surely the minister will not have to be asked, each time there is an assignment in bankruptcy in any particular county, for leave to take the matter to the county court judge? Should it not be provided by general regulations to leave it to the parties concerned to take their petitions to the county court judge or to the central judge, in Toronto for example? It would hardly be conducive to the quick despatch of business if nothing could be done without a special application on every occasion.

Mr. LAPOINTE: As my hon. friend knows, the officer in the department who is specially charged with the duty of administering the act receives every week returns from all districts, and I think we have in the department sufficient information to justify us in appointing county court judges in particular cases.

Sir HENRY DRAYTON: The question is one of appointing some judge in a district where this is thought necessary. It does not mean an application in every instance?

Mr. LAPOINTE: No.

Mr. MORIN: Under this section will the judges of the Superior court in any district in the province of Quebec be eligible?

Mr. LAPOINTE: Yes.

Section agreed to.

On section 12—Who may practise as barristers, etc., in bankruptcy courts.

Mr. RYCKMAN: By this section we are repealing section 87 of the act. What is the reason?

Mr. LAPOINTE: Under section 87 of the act barristers of one province could plead in another province in bankruptcy proceedings. This section was enacted in anticipation of the establishment of new federal courts of bankruptcy, but, instead of that, parliament has conferred jurisdiction upon the provincial courts. This being the case, parliament has no authority to enable barristers in one province to practise in another; that would be ultra vires of our powers.

Section agreed to.

On section 13—Penalty for acting as trustee without bond.

Mr. LAPOINTE: This is merely to make a clerical change.

Section agreed to.

Section 14 agreed to.

On the preamble.

Mr. GARLAND (Bow River): Will the minister give us some assurance that the act will come into force fairly soon? The sooner this is done the more effective it will be.

Mr. LAPOINTE: There are certain rules under the act which it will be necessary to alter in conformity with the present amendments. I can promise my hon. friend that as soon as the changes are made the proclamation will issue.

Mr. GARLAND (Bow River): I trust the minister will expedite those changes.

Mr. LAPOINTE: Certainly.

Bill reported, read the third time and passed.

FRUIT ACT AMENDMENT BILL

SENATE AMENDMENT

Hon. GEORGE P. GRAHAM (for Hon. W. R. Motherwell, Minister of Agriculture) moved the second reading of and concurrence in the amendment made by the Senate to Bill No. 117, to amend the Fruit Act.

Mr. GROTE STIRLING (Yale): Mr. Speaker, I am opposed to this amendment entirely. My main reason is that there is no such body as the Horticultural Council of Canada, and I suggest that it is not reasonable to insert a wrong description. There is a body whose name is the Canadian Horticultural Council. I am further opposed to the amendment because it cuts right across the main object of the section, which was to facilitate the creation of grades which are not included in the Fruit Act. To refer this matter to a body such as the Canadian Horticultural Council may result in very considerable delay, as that council is composed of the representatives of the fruit and vegetable interests all over Canada and it is only at the annual meeting that matters such as this are considered. This very matter has been discussed at considerable length in the conventions of the fruit growers' associations in different parts of the Dominion; it has also been discussed at the annual meeting of the Canadian Horticultural Council. Matters such as this are frequently discussed between the fruit interests of America and of Canada. The fruit growers are perfectly satisfied with the clause as originally drawn, and I do not think it would be in their interests that the Horticultural Council of Canada should be brought into consultation, even if the name was correct. But my main reason for opposing the amendment is that it would be inserting in the bill reference to a body which does not exist.

Mr. W. C. GOOD (Brant): Mr. Speaker, we have no copy of the amendment made by the Senate.

Mr. SPEAKER: The amendment will be found in the Votes and Proceedings of yesterday. The amendment is to subsection 3 (a) of section 2:

The minister,—

and here is the amendment made by the Senate:

—"after consultation with the Horticultural Council of Canada and" with the approval of the Governor in Council,—

And so on. There is no other amendment.

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, after the remarks of my hon. friend from Yale (Mr. Stirling) I think the minister (Mr. Graham) might allow this motion to stand over for the time being. If there is no such body as the Horticultural Council of Canada, it would seem a rather extraordinary amendment. Surely there must be some misunderstanding.

Mr. GOOD: I see the only change is the insertion of the "Horticultural Council of Canada," which is claimed to be the wrong title. It seems to me that if it is merely a clerical error it might be remedied if the motion is allowed to stand for a short time.

Mr. GRAHAM: Mr. Speaker, the Minister of Agriculture (Mr. Motherwell) seemed to think that the amendment would not do any serious harm. I think there is a good deal to be said in favour of my hon. friend's contention, and if the Minister of Agriculture were here himself I would suggest rejecting the amendment. But under the circumstances I think it is better to withdraw the motion until the minister himself is present.

Motion withdrawn.

NORTHWEST TERRITORIES ACT AMENDMENT BILL

SENATE AMENDMENT

Hon. CHARLES STEWART (Minister of the Interior) moved the second reading of and concurrence in the amendment made by the Senate to Bill No. 151 to amend the Northwest Territories Act.

Motion agreed to; amendment read the second time and concurred in.

SUPPLY

FINANCE DEPARTMENT

The House in committee of Supply, Mr. Gordon in the chair.

Department of Finance—charges of management—offices of the Assistant Receivers General—salaries, $118,000; contingencies, $15,000.

Mr. HANSON: How many Assistant Receivers General are there, and where are they located?

Hon. J. A. ROBB (Acting Minister of Finance): There are offices in Toronto, St. John, Winnipeg, Halifax, Victoria, Regina, Calgary, Charlottetown, P.E.I.; and in Montreal the City and District Savings Bank acts as assistant receiver general.

Mr. RYCKMAN: What is the average salary?

Mr. ROBB: Toronto, $3,540; Winnipeg, $3,540; Halifax, $2,610; St. John, $3,060; Victoria, $3,060; Regina, $2,610—

Mr. RYCKMAN: That is sufficient.

Mr. SPENCER: Why is there this difference in the salaries? Is it because of length of service?

Mr. ROBB: I imagine so.

Item agreed to.

Printing Dominion notes, $450,000.

Mr. GARLAND (Bow River): I notice that under this item there has been a reduction, which is probably something to be approved of. Is this reduction possible because of lesser cost of printing?

Mr. ROBB: The reduction of $15,000 is due to the lower contract rate.

Mr. GARLAND (Bow River): What was the number of notes printed under this vote in 1924 and in 1923?

Mr. ROBB: I do not know that I can give that, but I can give the estimated number of sheets required: of one-dollar notes, 5,000,000; of two-dollar notes, 875,000; of five-dollar notes, 100,000; of fractionals, 67,000.

Mr. HANSON: Is this work done by tender?

Mr. ROBB: Yes.

Mr. HANSON: From whom are tenders asked?

Mr. ROBB: The printing is done now by the Canadian Bank Note Company. In April, 1924, tenders were invited for the five-year period from October 1, 1925. Tenders were received from the Canadian Bank Note Company, Limited, the Dominion Bank Note Company, and the British American Bank Note Company. The first two tendered for the whole work; their tenders were approximately the same. The tender from the British American Bank Note Company covered postal supplies only. The prices quoted were not considered satisfactory by the department and the tenders were refused. After negotiations with the present contractor, the Canadian Bank Note Company, an agreement was entered into providing for a decrease of five per cent from the prices stipulated in the previous contract. This agreement covers five years from April 1, 1925 and gives the government the benefit of a five per cent decrease for the last six months of the old contract, representing a saving of approximately $25,000. Compared with the old contract, the saving effected over the period covering the five years is approximately $250,000.

Mr. SPENCER: Is it the intention of the government to continue the printing of fractional notes—those for sums less than a dollar?

Mr. ROBB: Yes. They are pretty nearly out of circulation, but they are useful in making remittances and that sort of thing.

Mr. CARMICHAEL: In view of the large profits accruing to the companies printing government notes, has the department ever considered the advantages that might come from having this printing done by the government itself?

Mr. ROBB: I am not sure that they are making a very great profit. They showed us their books, and the profits are not so very large. The work of this company is very satisfactory indeed. I visited the establishment of a concern in London, England, who are large printers and engravers of currencies, and I reached the conclusion that our plant here in Canada was rather superior to what they have overseas. These people in Canada, and through their connections in the United States, print for many of the countries of the world.

Mr. CARMICHAEL: That does not answer the point I raised, whether the department would think it advisable to do their own printing and engraving.

Mr. ROBB: No, I should say from my short experience in the department that we are getting the work done just as cheaply as it could be done by the government itself. I am not sure it is not being done cheaper.

Mr. MANION: Some time ago I heard it stated that large supplies of excise stamps, for instance, were printed a great deal in advance of requirements. Is there any truth in that?

Mr. ROBB: We carry, I think, a six-months' supply, but I should not think the department would be authorized to go beyond at least a year's requirements.

Mr. MARCIL (Bonaventure): Is it the intention to substitute the new nickel completely in place of the old five cent piece? The new nickel is of such a size that it may become mixed up with the twenty-five cent piece. We have too much small coin. We have the old five cent piece, the new nickel, the ten cent piece and the twenty-five cent piece. There is a greater difference between the old five cent piece and the twenty-five cent piece than there is between the new nickel and the twenty-five cent piece.

Mr. ROBB: This is a matter that comes under the Mint. I have heard some objection to the new coin. I will look into the matter after the session, when I get time.

Mr. GOOD: There will be an opportunity to discuss the question of coinage on another estimate?

The CHAIRMAN: Yes, on the estimates for the Mint.

Mr. SPENCER: With regard to the quantities of notes kept ready for the government by the printers, I think the government is very wise to have a supply on hand. I suppose there are government officials in the printing department who check up the various amounts of notes that are printed and in stock?

Mr. ROBB: Yes, we have a very complete method of control. From the evidence reported in the press as having been given yesterday before the Public Accounts committee by the Auditor General, there might be an impression that there is not a complete audit in the system, but there is a very thorough audit within the Finance Department. In order that hon. members may have it before them, I think I had better put on record a complete statement of the methods employed in this connection. The statement is as follows:

Treasury board minutes passed in 1881 and 1910, authorized a certain procedure in connection with the management of Dominion currency and the audit thereof by the Auditor General. Naturally the growth of business in the interval has rendered obsolete many of the provisions of these orders, and as a consequence, a revised departmental procedure and system of verification and check as between the various branches at Ottawa and the offices of the Assistant Receivers General throughout the country came into effect. A complete control is maintained and an internal audit is made by an experienced staff.

I may say here that we audit up every night before the staff leaves. If hon. gentlemen would care to go through the department and observe personally the system that is followed, I should be glad to have someone take them through—though not all at once; we would not like to take more than four or five at a time. The members of the staff are all locked inside there and no one is allowed to leave until a complete balance is made at the end of the day. The statement continues:

The present system was approved of by Messrs. Edwards Morgan and Company, chartered accountants of Toronto, in connection with the audit and supervision of departmental practice which they conducted in 1921 and 1922.

The Treasury board in January 1925, passed a minute, copy attached, outlining in detail the procedure at present followed by the Department of Finance. The following is quoted therefrom:—

"The board are of the opinion that the procedure outlined above is well designed for the protection of the currency and direct that the said procedure be recognized as the one to be followed in the management of the Dominion Currency.

"It appears to the board that down to the point where worn or mutilated notes are received by the department to be destroyed, no further check is required than that provided for as above described, but that before the said worn or mutilated notes are destroyed they should be examined by the Auditor General as prescribed by section 17 of the Consolidated Revenue and Audit Act."

The Auditor General has not made an audit of the note reserves held at Ottawa since some years prior to the commencement of the war, nor has he made any requests to do so. From 1910 to 1913, the Auditor General's department sent officials to our outside offices, at which stores of notes and gold are kept. Men inexperienced in handling securities, unfamiliar with vault combinations, and incapable of assuming the full control necessary to make an effective audit were sent on these inspection trips. The inspection was valueless, and the result was to create a bad impression on the staff of our offices. During the war the audit of outside offices by the Auditor General was discontinued, and no requests had since been made by him for facilities from the Department of Finance in that connection. It is apparent, therefore, that the only audit of currency which the Auditor General has been conducting is that of redeemed notes for destruction, as called for by the Audit Act. This audit has been a casual one—

I would ask the hon. gentleman to observe this:

This audit has been a casual one, so casual that under it a trusted official of the Department of Finance, using it as a cover, was able to manipulate notes in course of

destruction, so as to steal some thousands of dollars, for which offence a term of imprisonment was imposed.

After this occurrence, the Auditor General's department still carried on the same casual audit, and after being appealed to on more than one occasion by officials of the Department of Finance to put in a thorough audit, is still following the same procedure to-day.

I would like hon. gentlemen to observe that I am not now referring to the present Auditor General.

Mr. GARLAND (Bow River): In what year did this imprisonment take place?

Mr. ROBB: I think it was between 1919 and 1921. And another man, I think, took his own life.

Mr. GARLAND (Bow River): Was this in connection with war bond coupons?

Mr. ROBB: It was in 1922, I am informed. The memorandum continues:

Without the efficient audit which our own officials maintain, it would still be possible for officials of the department, by collusion, to obtain a certificate of destruction from the Auditor General's representatives covering notes which have not actually been destroyed. This is the condition which the department has appealed to the Auditor General to rectify, without result.

Under the test audit as now conducted by the Auditor General's staff of millions of $1, $2 and $5 notes withdrawn from circulation, the amount of notes counted is only one-half of 1 per cent of the total notes destroyed; the balance are left in sealed packages and taken as correct and destroyed.

Hon. gentlemen will note that the amount of notes counted is only one-half of one per cent of the total notes destroyed; the balance being left in sealed packages and taken as correct, and destroyed. I would observe that that is evidence that the Auditor General's department have taken our audit, and our audit is, we claim, pretty correct.

Now I will give an instance of the conditions that make the men who are responsible for the Department of Finance very chary as to who is allowed to go through these locked gates and into these vaults, and I think this will appeal to hon. gentlemen.

Mr. HANSON: You do not let members of parliament in?

Mr. ROBB: Not without a permit. I will now give the instance:

Further, this audit is conducted by a junior clerical staff of the Auditor General's department, inexperienced in currency work. Recently, a junior clerk employed in the transfer of securities and notes from one branch of the department to another, was released from our employ on account of unsatisfactory services. In the course of a few weeks, this man appeared in the Currency branch, as representing the Auditor General, for the purpose of examining and passing on notes prepared for destruction. He was without experience and qualifications to assume such responsibility.

[Mr. Robb.]

I am not saying that this was done at the instance of the Auditor General, the Civil Service Commission may have sent this man to the department; but I say that this man had been dismissed from the Department of Finance for incompetency, and he was sent in to conduct an audit.

Mr. HANSON: You did not have to take him.

Mr. ROBB: We did not take him. To continue:

As a further evidence of the incompletenes of the audit of the Department of Finance carried on by the Auditor General's department, it might be mentioned that to date there has been no audit by that office of expenditures relating to the payment of interest on Dominion bonds, which amounts to about $125,000,000 a year.

In view of the impression which some people appear to have gathered from the press reports of the evidence taken before the Public Accounts committee, I would be very glad indeed if the Public Accounts committee could have a meeting and call in as a witness the Comptroller of the Currency, who has charge of that branch. I am sure he will satisfy hon. gentlemen that there is a very complete audit, one system balancing against the other, and all checked. As I said before, no person is allowed to go out, not even a junior clerk, until everything is balanced at night.

Mr. HANSON: In justice to the officials in his own department, why does not the minister himself ask the Public Accounts committee to take this up?

Mr. ROBB: I am asking them now. I think I should go a little further. I have read a part of the evidence—I did not have time to read it all—and I gathered from the evidence that the Auditor General made it pretty clear that in his judgment there was a satisfactory control, and that the audit was good, but apparently some of the press have allowed another idea to go out, and a reading of the evidence does not justify the viewpoint as I gather it from the press despatches. The Auditor General, I may say, has only been in office now not much more than a year, and I think he is making every effort to complete his staff and surround himself with good and competent officials. I do think that in the Department of Finance and in the Department of the Auditor General the deputy ministers should have considerably more to say than the Civil Service Commission in the selection of the men who go in to audit and look after the finances of Canada.

Mr. GARLAND (Bow River): The minister in his statement, which I congratulate him upon as being very frank so far as it went, made some reference to the bond coupon defalcations. May I ask the amount, and whether any or all of it was refunded?

Mr. ROBB: It was Dominion notes, I am told. I have not got the amount here. It happened before I came into the department.

Mr. GARLAND (Bow River): Certainly the department should have that information.

Mr. ROBB: I think that information will be available in the department, but I have not got it here.

Mr. GARLAND (Bow River): I wonder if the minister would know whether any part of it was refunded, or whether it all vanished.

Mr. ROBB: I understand there was a certain amount of it recovered.

Mr. GARLAND (Bow River): But not all of it?

Mr. ROBB: No.

Mr. GARLAND (Bow River): Were those coupons audited by the Finance department only?

Mr. ROBB: If my hon. friend had been following me, he would have observed that they were audited by the Auditor General's department.

Mr. GARLAND (Bow River): I thought it was Dominion notes the minister was speaking of then. Were the bond coupons also audited by the Auditor General's department?

Mr. ROBB: Yes.

Mr. GOOD: I was in the committee, and I may say that the Auditor General stated very frankly that the internal audit in the department was in a sense very effective. But I submit to the minister that we should not be satisfied with any kind of an internal audit. I think if the Auditor General is to do effective work in any of the departments he ought to be allowed to go in and make such examination as he thinks fit, no matter how effective he may consider the audit to be. Now, he submitted yesterday, in another connection, that he was not quite sure that he had power to go in and make an examination in one of the other departments.

Mr. ROBB: That is in the Income Tax branch?

Mr. GOOD: Yes. I do not wish to enter into that matter now, but I should like to submit to the minister that in connection with the Finance department, the Dominion notes, and so on, it would be some satisfaction if the Auditor General make a systematic audit, even if it be simply a test audit, of the work being carried out in the department. In that way the country will be given some assurance that we are not depending wholly on an internal audit. One other point: Did I understand the minister rightly to state that in this contract for the printing of Dominion notes stamps were included? If so, what stamps—postage as well as excise stamps?

Mr. ROBB: Yes, but the postage and excise stamps are not in this vote. This just covers the printing of the Dominion notes.

Mr. GARLAND (Bow River): Are letter of credit cheques issued by the department?

Mr. ROBB: Yes, but not by all the departments. Since my hon. friend has brought that matter up I may say that I purpose, if I get time before the close of the session, to bring in a new act, slightly different from the other, in connection with the Board of Audit Act, which expires July 1 this year. I purpose asking the members of that board to go very carefully into the matter with a view to changing the system of handling the finances of the country. I think we should have a pretty complete control not only over the expenditure but over the revenues. I should like to say, in answer to my hon. friend the member for Brant (Mr. Good), that there is at present a test audit made as I pointed out in the statement I made a few minutes ago. The Department of Finance welcomes a test audit, but if my hon. friend himself were in charge of the department and responsible for its administration he would rather resent the Auditor General sending in a man that he himself had dismissed for incompetency.

Mr. GOOD: Quite so.

Mr. SPENCER: As regards the printing of notes, I surmise that the printing of the smaller notes—one-, two- and five-dollar notes—would cost the same as the larger notes, the $100 notes or even the legals?

Mr. ROBB: I have the figures right here. They are as follows:

	Old Contract	New Contract
Fractional (25 cents) notes per thousand sheets..	$66	$62 70
$1 notes per thousand sheets.. ..	62	58 90
$2 notes per thousand sheets.. ..	62	58 90
$5 notes per thousand sheets.. ..	80	76 00
$500 notes per thousand sheets ..	85	80 75
$1,000 notes per thousand sheets.	85	80 75
Bank specials—		
$500 notes per thousand sheets..	65	61 75

The rest are all the same down to the fifty-thousands. I imagine the reason for the difference in cost is the lessened number.

Mr. SPENCER: They average about six cents a piece, then.

Mr. ROBB: Yes, I suppose so. That is for a thousand sheets. There are ten on a sheet of the fractionals, four on a sheet of the dollars, and one on a sheet of the bank specials.

Mr. GARLAND (Bow River): A minute ago the minister made a statement that before the end of the session he proposed to introduce some changes.

Mr. ROBB: My hon. friend will recall that two or three years ago there was introduced what was known as a Board of Audit. That board was composed of two chartered accountants, the Auditor General, and the Deputy Minister of Finance. The intention was that the Board of Audit should go very carefully into the affairs of the different departments, devise a system to prevent overlapping in each department, and effect economies. They have been doing some work in the different departments, but the work is not yet completed. We are going to extend the term of the act, and I purpose making some changes in it. If I remain in charge of the department I am going to ask the board for their advice—of course it will not be accepted until it is submitted to parliament—as to the adoption of a more effective measure of control by a pre-audit. There are some people who believe we should have a pre-audit before any account is paid.

Mr. GARLAND (Bow River): Controlled by whom?

Mr. ROBB: Controlled by the department that is responsible. There are those who believe that before any account is paid it should be audited. Of course there are difficulties in the way where we do business with foreign countries; but something of that nature could be worked out in order to have more effective control not only of the expenditure but of the revenues of the country.

Mr. GARLAND (Bow River): I think the minister is to be heartily congratulated on his decision.

Sir HENRY DRAYTON: I was not in when this discussion started, but there is no question at all in my mind, not as to the advisability, but as to the absolute necessity, of reform in connection with our present methods. I had a bill prepared when I was in the department which I proposed to submit to parliament. That proposition was rudely interrupted by the elections of 1921. I see no reason, and never could see any, why ordinary business methods ought not to be applied in government administration. It is not a question of to-day or yesterday, it is a question of decades practically, since modern business discovered that when you are dealing with large transactions and large corporations the only safe thing to do is to have a running audit, which is generally described as a pre-audit. Our system here in the past has been a system practically of auditing all disbursements. We have a large book called the Auditor General's report which tells us a year afterwards, when the money is all gone, just what has been paid, and shows clearly that the payment has been made. Of course, it is nice to know where your money has gone, but it is really better to know in the first instance whether your money should go at all.

Mr. ROBB: Hear, hear.

Sir HENRY DRAYTON: That is the idea of the pre-audit. After the defeat of the former administration I spoke to my right hon. friend the present Minister of Finance (Mr. Fielding) about it; I thought it was something with which politics had nothing to do. Well, I am afraid that perhaps I am a good deal more radical than my right hon. friend. He saw some difficulties in the way and after awhile—after approaching him more than once and after the lapse of a good deal of time—he suggested to me that possibly the best way of arriving at this matter would be to appoint a board of audit for the purpose of going into the whole question. Personally I think there is only one thing necessary and that is a little action. The question of a pre-audit is nothing new. I at once fell in line with my right hon. friend, as he did not see his way clear to do what I thought should be done, and this board was appointed. The idea that I had—and I may just as well tell the House now because I want to get the earliest expression of opinion that we can get in the matter now that it has been brought up again—was that it was absolutely unnecessary to have separate sys-

tems of accountants practically for every department of government service, with separate book-keepers—yes departmental auditors and the like—and then to have a grand battery to come into action when everything is all over in the person of the Auditor General. My idea was that we would apply the ordinary principles of pre-audit. Under that system the whole accounting would be taken over by the Finance department. That department would have a representative in each one of these other departments making his daily entries, and the next day the entries for the previous day would be over to the Eastern block, being checked and audited, not only as to payments but also as to receipts.

Mr. MARCIL (Bonaventure): Whom would the hon. member have make these appointments

Sir HENRY DRAYTON: I would not be so much concerned about that. Sometimes the government makes good appointments. Every government makes some good appointments, but sometimes they make terrible appointments, and this government has made many such. I think the appointments of the commission are very much better than those of this government, if the hon. gentleman wants my opinion.

Mr. MARCIL (Bonaventure): My hon. friend said that some appointments made by the commission were not at all satisfactory.

Sir HENRY DRAYTON: Yes, and some appointments made by the government are not at all satisfactory.

Mr. GARLAND (Bow River): Is it not also true that any appointment made by the commission which is unsatisfactory can readily be cancelled?

Sir HENRY DRAYTON: There is no difficulty at all. The government need never accept any nominee of the commission. It is very much more difficult when the government makes an appointment which is wrong. In that event the country is saddled with the appointment. My hon. friend knows that in connection with this very matter appointments have been made by the government which he regrets, and instead of there being a whole lot of appointments to be made, as my hon. friend's question would suggest, there are a whole lot of dismissals which should be made.

Mr. MARCIL (Bonavenure): I only wanted the view of the hon. member. Would he recommend that the appointment be made by the minister in charge of the department or by the commission?

Sir HENRY DRAYTON: It would depend on how free a hand the minister would have in connection with those appointments. He may have to deal with patronage. If the matter were entirely in the hands of my hon. friend (Mr. Robb) I have no doubt he would make good appointments. But instead of being appointments there would be dismissals; instead of having duplicate forces all over you would have one central force and you would have books of original entry today in one department, and to-morrow they would be audited in the Finance department. These matters would be audited day by day; you would never have a payment without it being audited; and you would not have the position which we have to-day of departments entering into financial obligations entirely apart from the imprimatur of my hon. friend who is going to supply the money. In our system to-day we have the old letter-of-credit system, under which every department can have so many thousands of dollars to spend just as and when it pleases and the department that has to do with making provision for the funds is left powerless. It is worse than that, we can have large commitments entered into. There is enough money on hand in the department to start the thing. The first thing my hon. friend knows—he will not deny it, because it is one of the things he wants to get free from—he is committed to something which he has to carry on, no matter how big or how heavy it is. There are meetings of the Treasury board,—and my hon. friend will agree with this—where, when a question is asked, the representative of the department will say, "But this has already been paid."

5 p.m.

Mr. ROBB: That is true.

Sir HENRY DRAYTON: Yes, there is no doubt about it. It is absolutely ridiculous. I want to have the proper system put into effect at once—I see no reason why it should not be put into effect to-day. I admit all these matters present some difficulty, but you can never do anything without running up against a little bit of difficulty here and there. You only overcome those difficulties by meeting them and starting to do something with them. It is quite true, as my hon. friend says, that this is a big business we are carrying on. It is rather difficult to look after a pre-audit system when we are spending some money on the continent. Let us look at that bogey for just a minute. Here we are in

Canada spending three or four hundred millions. Our vote for the French office, on the continent, is $42,000. Just think of any official for a moment considering or reporting that there is difficulty in putting in a pre-audit here because it cannot apply with the same force where we are spending $42,000 on the Parisian office! We are spending a few thousand dollars in the Yukon, and undoubtedly the method of procedure would not be exactly the same in the Yukon as at Ottawa. There would be a little further distance to go and greater difficulty in having a pre-audit there than there would be here, so that business could be carried on day by day without that restriction; but on the general issue there is no difficulty whatever about the pre-audit. The bill I have referred to was prepared for me by Mr. Edwards, who is now one of the members of the board. The reason why I went to him is this. One of the greatest successes that the world has ever seen was the manner in which the different forces of industry in Canada were co-related, one with the other, under the Imperial Munitions Board. At one time there were upwards of six hundred factories carrying on different parts of the work, doing the work where it could be done in the cheapest manner, and in the best way. It was all done on the one account. Those people had to get the money regularly and quickly. Nevertheless over all that area, covering these hundreds of plants, involving the expenditure of a tremendous sum of money, the purchases of great masses of raw material, there was such a system of pre-audit put in by Mr. Edwards that by eleven o'clock in the morning the state of business of the day before was known, and by the afternoon of the same day cheques could be issued under the pre-audit system under which every interest was absolutely protected, with the result that costs came down enormously. That is just simply ordinary business management.

Mr. GOOD: Common sense.

Sir HENRY DRAYTON: Absolutely, common sense and nothing else; there is no mystery about it. When I took office in 1910 as electric light commissioner in Toronto, where there was not a pre-audit system, I know the changes that we made in six months after we had that pre-audit system in, how business was easier and money was saved, and how leaks here and leaks there were checked. I am not only going to submit to my hon. friend to look into it further, but I am going to pray him to stop looking into it and tell Edwards to go ahead and do something. He can do it. There is no difficulty about doing it at all. If we introduce theoretical gentlemen into this thing a whole lot of difficulties can be created and we can have nice refinements drawn here and there involving long reports. Some little thing over in France, some small matter away up in the Yukon, would have to be looked into, and long reports would be prepared and submitted. But it is not necessary to pay much attention to that sort of thing; it is a plain matter of everyday business which is exceedingly simple to anyone accustomed to organizing large ventures. I admit that it is not ordinary auditing; it is a matter of devising a proper system to take care of business on a large scale, and it necessarily must involve considerable abilities in the way of organization. But we want the best and most approved methods of organization to-day in vogue in Canada, and I hope my hon friend will be able to see his way to take some action in the matter.

Mr. GARLAND (Bow River): Would this audit be independent?

Sir HENRY DRAYTON: It is absolutely independent in the sense my hon. friend speaks of, but it is an audit within the government. The hon. member will see that in connection with all these matters the systems of auditing practised by large institutions are inter-dependent; but there is a difference between the auditing staff and the spending staff. The auditing staff is entirely apart from the organization of the minister.

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

Sir HENRY DRAYTON: Under the present system we have separate bookkeeping institutions in the various departments. We have a whole gamut of books, and we have departmental auditors.

Mr. GARLAND (Bow River): I had reference to the Finance department.

Sir HENRY DRAYTON: The Finance department to-day has practically no control; the only thing we have outside of the departmental audit is the general audit, and, as hon. gentlemen know, that is rather late.

Mr. ROBB: We have a complete audit within the department.

Sir HENRY DRAYTON: That is within the department itself. I am not saying anything against the audit of the Finance department; so far as I know that was put on a proper basis. At one time however we had trouble there and I instituted certain investigations, which were not pleasant, involv-

ing my having to see that a certain gentleman was prosecuted and sent to the penitentiary.

Mr. GARLAND (Bow River): Only one?

Sir HENRY DRAYTON: There was another one but I forget what happened in his case. However, having regard to the volume of work done, the enormous amount of bonds issued, interest coupons, and so on, the showing was extremely satisfactory. There is nothing I have to say to my hon. friend (Mr. Robb) as to his own department, but the system should be brought up to date. The minister says that the board has been doing useful work and I think the House should have the benefit of any information that is available. I understand that reports have been submitted but I do not know whether they have been tabled. If not, I think they should be tabled for the information of the House. I am not sure, but I have heard that there was a report with regard to Montreal and Quebec harbours, with special recommendations in connection with these, and also with regard to the Vancouver Harbour Board and the Canadian National Railways. The one thing which to my mind is quite essential is a more complete financial control on the part of the country that supplies the money to finance the Canadian National Railways.

Mr. ROBB: I am glad my hon. friend approves of the suggested changes. I have had some reports from the board with regard to the harbours and I have read them all, I believe, with the exception of that on Vancouver harbour; I should like to read that one over. I have no objection to tabling these reports. I would not care to go to the expense of printing them but certainly they should be tabled. Regarding the question of consolidation, hon. members will be glad to know that only recently we have given instructions to all the officers of the different departments in the United Kingdom to the effect that they shall submit financial matters for the approval of the High Commissioner.

Mr. GARLAND (Bow River): The ex-Minister of Finance (Sir Henry Drayton) made a statement with reference to certain changes that have taken place in connection with the audit system of the Finance department in comparatively recent years. Could the minister (Mr. Robb) indicate to what extent such changes have occurred? In the short time I have been here I have been rather alarmed at some disclosures which I hesitate to speak about, in connection with the defalcation of war bond coupons in the Control of Currency branch and, I believe, some misappropriation of credit cheques in one of the Militia branches, in consequence of which action was taken by the department. In view of these things it is clear that at one time at any rate there was a rather loose system in the department. I do not want to be unfair, but I hope that the system has been improved, and I should like to know what changes have taken place.

Mr. ROBB: If the Public Accounts committee desire to bring before them the Comptroller of Currency they will find him an interesting and profitable witness. One never knows, of course, but so far as we can judge there is now pretty complete control, and the officials tell me that it is impossible for these irregularities to occur. It may be interesting however to know that not long ago an officer in one of the departments of the public service had to be prosecuted for forgery. We have therefore to be continually on the watch, for you cannot introduce any system that will make men honest.

Mr. GARLAND (Bow River): That is true; but where there is only one audit system in such a department as that of Finance—

Mr. ROBB: There is more than one; there is a test audit besides.

Mr. GARLAND (Bow River): How often is the test audit made?

Mr. ROBB: I believe the Auditor General was before the Public Accounts committee yesterday and he said that in his judgment there was a careful audit.

Sir HENRY DRAYTON: In fairness I ought to say that on the whole the officials of the department are very honourable and trustworthy.

Mr. GARLAND (Bow River): I think so myself.

Mr. MARCIL (Bonaventure): Were most of these officials appointed by the previous government or by the Civil Service Commission?

Sir HENRY DRAYTON: Most of them were appointed either under the government that preceded the Borden administration or under the Borden administration itself. There is no doubt about that, and I make that statement for the benefit of my hon. friend.

Mr. GARLAND (Bow River): By whom were the defaulters appointed?

Sir HENRY DRAYTON: I could give that information but hon. gentlemen would not like it. I do not think that we should

go into that. It is always very difficult to get governmental business out of a rut. For instance, in 1920, I had an outside auditor make the first capital audit of the department. At that time the Auditor General was largely engaged in auditing disbursements. But the extraordinary thing is that although that was the first audit, so honestly had things been done that practically nothing wrong was found.

Mr. ROBB: December 1, 1921.

Sir HENRY DRAYTON: Yes. That was the first outside audit ever made. It was a thorough audit by a most competent auditor. The changes then put into effect had regard to the interior economy and also to the form of balance sheet for it was then that I had the accounts recast and an ordinary balance sheet prepared. The changes also covered the case my hon. friend refers to in connection with the theft of interest coupons of one of the New York loans. I think he will say it was covered pretty well. There is no longer any likelihood of the slightest danger in the future from that source. Then came the question of some irregularities in the Currency branch. Drastic changes were put into effect there, and at present I think the matter is being pretty well looked after.

Item agreed to.

Commission for payment of interest on public debt, purchase of sinking funds, auditing, $110,000.

The CHAIRMAN: The discussion has really been upon this item.

Mr. GARLAND (Bow River): To whom is the commission for payment of interest on the public debt paid?

Mr. ROBB: The Bank of Montreal. It is the government's official agent and I think it has an arrangement to pay the other banks whatever expenses they may incur.

Mr. GARLAND (Bow River): What is the reduction due to?

Mr. ROBB: The amount required for payment to Bank of Montreal for services as financial agents in London at a rate of £150 per million of debt $50,400.22. Amount required for commission to Bank of Montreal, New York, for cashing interest coupons at one-eighth of one per cent. Charges for registration of bonds domiciled in New York, also fee as registrar of the 5 per cent 1942-52 loan in New York, estimated, $25,000. Amount required to pay commission to Bank of Montreal, for purchase of sinking funds, estimated, $10,000. Amount required to pay commission to banks for cashing interest coupons on renewal loans at three-sixteenths of one per cent, estimated, $20,000. Auditing, say, $4,599.78.

Sir HENRY DRAYTON: I thought the rate was always one-eighth of one per cent. Where is the three-sixteenths paid?

Mr. ROBB: It is required to pay commission to the bank for cashing interest coupons on renewal loans.

Sir HENRY DRAYTON: Why should not that be one-eighth? It looks to me a little higher rate than we used to pay.

Mr. ROBB: Here is the memorandum I have on that:

When the war loans and victory loans were issued, the commission paid to the banks included charges for their services in connection with flotation of the loans and also for cashing coupons until the loan matured. These charges were as follows:

War Loans	Commission
1915-1925	¼ of 1 per cent
1916-1931	½ of 1 per cent
1917-1937	9/20 of 1 per cent

Victory Loans	Commission
1917	¼ of 1 per cent
1918	¼ of 1 per cent
1919	¼ of 1 per cent

When the victory loans matured in 1922 and 1923, the banks demanded payment for their services in connection with cashing interest coupons of the renewal loans. After negotiations it was agreed that the commission payable should be at the rate of three-sixteenths of 1 per cent.

The Department of Finance held that payment at the rate of one-eighth of 1 per cent would be fair. Commission at this rate is paid the Bank of Montreal, New York, for cashing Dominion of Canada coupons. The banks, however, submitted that, since the work involved redemption at over 4,000 points in Canada instead of at one office, this rate was unduly low and demanded one-quarter of 1 per cent. The agreement of November, 1923, provided for a compromise at three-sixteenths of 1 per cent.

The rates paid the Bank of Montreal, New York and London, for similar services are:

Bank of Montreal, New York—	
Cashing Grand Trunk Pacific coupons	¼ of 1 per cent
Cashing Dominion of Canada coupons	1/8 of 1 per cent
Redemption of bonds	1/16 of 1 per cent
Issuing of bonds	1/16 of 1 per cent
Bank of Montreal, London—	
Cashing Grand Trunk Pacific coupons	¼ of 1 per cent

Item agreed to.

To provide for temporary clerical work in connection with the transfer and registration of bonds, etc., and the flotation of loans, and authority for these purposes to employ a temporary staff, fix their rates of remuneration and otherwise wholly regulate their services, without reference to and notwithstanding anything contained in the Civil Service Act; and also to pay additional remuneration to any employee engaged in connection with the flotation and redemption of loans for work done outside of prescribed hours, at such rates as the Treasury board may approve, $110,000.

Mr. GARLAND (Bow River): How many employees are paid out of this vote?

Mr. ROBB: There are 116.

Mr. GARLAND (Bow River): Are they temporary?

Mr. ROBB: Yes. Of this number 108 are furnished by the Civil Service Commission.

Mr. GARLAND (Bow River): Are these temporary employees eligible for superannuation?

Mr. ROBB: Oh, no.

Mr. GARLAND (Bow River): Would they be entitled to any statutory increase?

Mr. ROBB: I would not think so. We have them for from three to five months and sometimes for over a year, depending on the amount of work in connection with loans from time to time.

Mr. GARLAND (Bow River): Of course, Mr. Chairman, it is some relief to me to know that 108 of these 116 employees have been secured through the Civil Service Commission, but I look with some suspicion upon the growing custom on the part of the department to introduce into their salary votes some little sentence such as is contained here, "Notwithstanding anything contained in the Civil Service Act," the effect of which is to take from under the control of the commission the appointment of these employees and to virtually restore the patronage principle. I think an opportunity will be provided later on to discuss this question, but I wish now to give notice that I regard with great dissatisfaction and with some suspicion the growing inclination on the part of this government to withdraw these people from the control of the commission. I think at the present time there are some thirteen thousand positions exempt from the commission's control, and the number is increasing every year; this year there is a very large increase. What is the salary of the deputy minister?

Mr. ROBB: It is $10,000.

Mr. GARLAND (Bow River): Was any appointment made this year to the position of secretary of the Treasury board?

Mr. ROBB: No, the deputy minister is the acting secretary of the Treasury board.

Mr. GARLAND (Bow River): Is it proposed that any other gentleman shall be appointed secretary?

Mr. ROBB: Not now, no.

Mr. GARLAND (Bow River): Does the position of secretary of the Treasury board carry with it an additional salary?

Mr. ROBB: No.

Mr. GARLAND (Bow River): Then there is no truth in the rumour that there is an additional salary of $5,000 for the secretary of the Treasury board?

Mr. ROBB: There is an amount voted, but it has never been used.

Mr. GARLAND (Bow River): It is not the intention of the minister to use it?

Mr. ROBB: No, not now.

Mr. GARLAND (Bow River): Is there an assistant secretary of the Treasury board?

Mr. ROBB: No. The officer before me acts as assistant to the Treasury board. The present deputy Minister of Finance has been in the department about forty years and is a most efficient officer. A man who has been in any department or trade or business for such a long time has grown up with it and knows it. The deputy minister is no longer a young man; he is entitled to retire if he wishes to. A few years ago, through stress of work and perhaps some of the worry we have referred to this afternoon, his health was not of the best. He did want to resign, but he was prevailed upon to remain, and I hope he will remain in the department. When it came to appointing a bank inspector I was told by the Banking and Commerce committee to get the best man I could find and pay him whatever salary he wanted. I tried to get a couple of men, but I did not like to go over the salary of the deputy minister. I could not, however, get a man at the salary of the deputy minister whom I thought to be fit to take the job and who would satisfy the members of the Banking and Commerce committee. I was successful in getting a man of very wide experience, who, I believe, is an excellent officer, and I had to pay him $15,000 a year. We had the same experience when we were looking for an Auditor General. In view of these conditions I asked myself what would happen if the deputy minister persisted in offering his resignation, and I will say frankly to the committee that I put that amount in the estimates in order that the minister, whoever he might be, would be in a position to offer a salary that would attract to the office such a man as I believe should be at the head of the Finance department of Canada, a business handling over $500,000,000 a year.

Mr. GARLAND (Bow River): I confess it is with some relief that I learn that there is not to be an increase of $5,000 to the present salary of the deputy minister because of the creation of the office of secretary of the Treasury board, or his appointment to that

position. My reason for this is not because I have any serious criticism to offer of the routine work performed by the Deputy Minister. Because of his long service in the department he probably knows more about the details of the administration end of it than any other man would know or could know. There is another question, though, that comes into it, and that is the development of modern finance: I doubt very much whether the Deputy Minister of Finance has had the time to make himself as conversant—I will be as kind as I can—with the recent changes in international as well as national finance that the present development of Canada would require. But my principal reason for raising the question at this time is briefly this: Canada is a young nation with a small population and ever-growing expenses, yet we have an excessive deputy-minister salary roll. I have taken the trouble to make some computations, and I find that there are some thirty-six deputies in Canada, running to a cost of $173,500 per year. The additional list of those officials who hold the rank of deputy adds to that the sum of $104,000, or a total of $277,500. In the United States twenty-one men in the service hold the rank of deputy minister, with a total salary of $157,500, an average of about $7,500 each. In summary, Canada has thirty-six deputies, including those holding the rank of deputy, at a total salary of $277,500, or $30,833 per million of population, while the United States has twenty-one, at a total cost of $157,500, or only $1,432 per million of population, a ratio of about thirty to one in favour of the United States in economy. I will admit that arguments can easily be adduced by the minister and others to explain why that should be, but I simply place these figures on Hansard so that the minister will be in a position to resist any further pressure for an increased salary list of deputy ministers or for advancing any more officials to the rank of deputy.

Mr. GOOD: I would like to discuss the question of the deputy ministership, but I do not know whether or not it comes under this item. It has already been discussed to some extent, and with the minister's permission, I should like to say something more.

The CHAIRMAN (Mr. Marcil, Bonaventure): A reference to the subject may be made, but an extended discussion of it would not be in order.

Mr. GOOD: If there is to be another opportunity, I will await until that time.

Item agreed to.

[Mr. E. J. Garland.]

To provide for the salary of Walter Duncan at $2,550 per annum, as a special investigating officer under the direction of the Department of Finance, with the power to administer oaths in the performance of his duties, and also to provide for contingent expenses of this service, a further sum of $5,050.

Mr. GARLAND (Bow River): What was this gentleman's business last year?

Mr. ROBB: I do not like to refuse my hon. friends anything, but I do refuse to say what this gentleman's business was last year. I may say it was very profitable to the country.

Item agreed to.

Miscellaneous—unforeseen expenses, expenditure thereof to be under order in council, and a detailed statement to be laid before parliament within fifteen days of next session, $60,000.

Mr. MEIGHEN: This is "miscellaneous" enough. Can the minister identify it?

Mr. ROBB: It is the usual vote. There is a reduction of $15,000. Up to February 20, 1925, we spent last year $57,323.48. A statement of details is tabled at the beginning of every session.

Mr. MEIGHEN: Has the minister the statement there?

Mr. ROBB: No, but I can get it.

Mr. MEIGHEN: I think the minister had better hold the item until we get it.

Mr. ROBB: This vote has been there for many years.

Mr. MEIGHEN: I know, but each year we get a statement of what it has been applied to. What is it mostly intended to be applied to this year?

Mr. ROBB: My hon. friend should know there were expenditures under this item during his term of office.

Mr. MEIGHEN: I never spent any of it.

Mr. ROBB: Somebody spent $34,801.75, in 1921-22, and $36,150.25 in 1920-21.

Mr. MEIGHEN: That is just about half this amount.

Mr. ROBB: I notice it is continually growing. The expenditure has been as follows:

1910-11	$12,629 18
1913-14	14,691 30
1919-20	23,982 24
1920-21	36,150 25
1921-22	34,801 75
1922-23	51,926 26
1923-24	35,515 62

If the information to which my right hon. friend referred has **not** been tabled, I will see that that is **done.**

Mr. MEIGHEN: The expenditure is certainly growing. That is the reason for more careful inquiry into it. If there was something definite, it would be different.

Mr. ROBB: My hon. friend must observe that there is a decrease in our total vote of $77,000.

Mr. MEIGHEN: Yes, and I think there should be a lot more. Has the minister no idea at all of what this is for?

Mr. ROBB: It is for unforeseen expenses, such as the entertainment of premiers or representatives of foreign countries who are visiting Canada. also for such an unforeseen event as a catastrophe, for instance.

Mr. MEIGHEN: Unemployment associations?

Mr. ROBB: I would not say that.

Mr. MEIGHEN: Because that is the truth.

Mr. GOOD: I do not know that I shall have another opportunity of saying what I wish to say about the department, so I take the opportunity now.

What has impressed me very much since I have been here is the conspicuous difference between the organization in the Department of Finance and the organization in some of the other departments. Take, for instance, the Department of Agriculture, where those in charge of the different branches are specialists in their respective fields. We admit the need of securing the services of experts in these several departments. But in the Department of Finance we have, so far as I can find out, no man who has any general knowledge of economics, who has given any special study to the questions that ought to be well known and thoroughly considered in that department. I am sorry to have to make any personal reflections, but the Deputy Minister of Finance, who, I understand, has been acting as secretary of the Treasury board, has been before the Banking and Commerce committee on two or three occasions, and I have also discussed matters with him privately. As I said, I am sorry to make any personal reflections, but I do consider that he is totally unqualified to advise in regard to the many matters which must come before that department, and the minister himself cannot be expected to have gone into a number of these technical matters such as must necessarily be considered by the department. I want to suggest most emphatically to the minister and to the House that in the Department of Finance there ought to be at least one good economist, one good specialist who has had a thorough training, theoretical and practical, in this particular line, to act in an advisory capacity. I think it is positively shameful that there is nobody apart from the present deputy minister, whose excellent qualifications in other directions I am free to admit, but who has no qualifications in this particular direction; and I want earnestly to appeal to the minister to face the situation and apply the same common sense we have applied in our other departments, where we have the good sense to make use of the services of those who have given years of study to their respective specialties.

Take another department by way of comparison, the Department of the Interior—the Mines branch for instance. What folly would it be to appoint a book-keeper to look after our Mines branch! And yet we have nobody in the Department of Finance, as far as I can find out except those who have knowledge of technical routine, nobody who has the qualifications that are needed. Let me suggest to the minister and to the House the sort of man we need in the Department of Finance. We need a man of the qualifications of our Dominion statistician, and we need him very badly in the Department of Finance. Again I earnestly submit to the minister and to the House that unless there is some reorganization in that department, I foresee that we shall get no further ahead, but we shall still continue to follow in a lot of the foolish old ruts we have been travelling in the past. The hon. member for West York (Sir Henry Drayton) has already mentioned how difficult it is in governmental matters to get out of a rut. If we have got into ruts in any department, we have certainly got into ruts in that particular department. Let me give an example. The question arose in the Banking and Commerce committee last year as to whether or not the advisability of varying the interest rate on the advances under the Finance Act had ever been considered, and the deputy minister admitted it had not. I asked him if he had ever thought of it; he had not—had the matter ever been discussed or thought of by the Treasury board? No. Apparently this question, which is in my judgment a vital matter, had never received any consideration at all. Now, if we had a thoroughly competent economist attached to the department, the country might be saved thousands and

thousands, if not millions, of dollars a year, and we might be in a position to make some real progress. It is all the more necessary because we are face to face with a lot of very serious financial problems. Recommendations have been made by some members of this House from time to time during the last few years in regard to what might be called new methods of finance. The Acting Minister (Mr. Robb) and the Minister of Finance (Mr. Fielding) before him have in general ridiculed these suggestions. I am not going to say now that all of the suggestions are wise and practical, but I do submit to the minister that there ought to be some effort made to study them. We should not simply dismiss them scornfully with a contemptuous wave of the hand, as though they were unworthy of consideration. It is quite possible that we may discover very valuable help and very great assistance in connection with our financing in some of these newer methods, but as I said there is absolutely nobody in the Department of Finance, so far as I can find out, who is at all competent to investigate these particular matters. I appeal, in conclusion, to the minister to consider the propriety of appointing, or attaching to the department in an advisory capacity, a man who has some such qualifications as the present Dominion Statistician.

Mr. ROBB: I should like to say at once that I have no pretensions to having the financial qualifications of my hon. friend from Brant (Mr. Good), nor am I prepared to discuss the Department of Agriculture with him, because I am told that he is just as good an agriculturist as he is an economist. But I wish to repeat again what I said a few moments ago: From my experience within the department, in my judgment the present Deputy Minister of Finance is an excellent public servant, and I hope he will remain in the service for many years. We have associated with the department many other excellent officers, men of wide experience, who take as keen an interest in the affairs of the country as if they were their own. I recognize the abilities of the Dominion Statistician. I was in that department for some years, and I know that he is a good officer. I have no doubt also that there are many good officers throughout many of the departments, but, looking over the accounts as they come before me and scrutinizing them through the Treasury board, I am bound to say that some of the departments to which my hon. friend has referred I do not look up to as departments of economy.

[Mr. Good.]

Mr. GOOD: The minister really cannot have understood me properly. I do not wish to reflect, and I am not reflecting upon the integrity, ability, or certain other qualifications of the deputy minister, but I submit this: that the minister himself would never ask him to give an opinion on a matter of mineralogy or on a matter of medical or surgical science; he has not studied those matters. I am not blaming him. But in financial matters nowadays, particularly under present conditions in Canada, we need the advice of men of a different type from those we have. I am not saying anything against the deputy minister in his capacity as a faithful executive officer, but I do say that, so far as I can find out, he has not the qualifications that are necessary to give sound advice in many matters of urgent importance.

Mr. MEIGHEN: Would the hon. member describe the kind of man he has in mind that would be needed for the department? I hope he will do so without too plainly referring to himself or myself.

Mr. GOOD: I may say very frankly that I certainly have no ambitions, or qualifications either so far as that is concerned; I never dreamed of anything of that kind. But may I state this to the minister and the right hon. leader of the opposition (Mr. Meighen): a couple of years ago I discussed this matter with two government officials who occupy very prominent positions in the service at the present time, and who, by reason of their previous training, were, I think, competent to give an opinion on this point, and both of them—I do not want to mention their names because their opinions were given to me in confidence—expressed themselves very strongly in regard to this particular situation. As I say they are men of the highest standing in the government service, so I am not relying wholly on my own opinion.

Mr. ROSS (Kingston): Would my hon. friend say what the training of these officials was without giving their names?

Mr. GOOD: That might lead to their identification. I think perhaps I have said enough.

Mr. MEIGHEN: Perhaps the minister has received by this time some particulars as to where the money was applied last year.

Mr. ROBB: I have not that before me yet but I will get my right hon. friend a statement.

Mr. MEIGHEN: For this evening?

Mr. ROBB: I should like to get these votes cleaned up before six o'clock and go on with another department.

Mr. MEIGHEN: Before eight o'clock then?

Mr. ROBB: I do not think I can; I will give it to my right hon. friend to-morrow.

Mr. MEIGHEN: Will the minister have some estimates under which we can discuss this matter?

Mr. ROBB: Of the Finance department? I am not sure, but if not we can discuss it in connection with any other department that I am interested in.

Item agreed to.

Expenses in connection with the negotiation of treaties, $20,000.

Mr. MEIGHEN: Is this to pay the expenses of the minister?

Mr. ROBB: This item, to provide for expenses in connection with the negotiation of treaties, was first included in the estimates for 1922-23, and at that time with the cattle embargo conference. The expenditure in 1922-23 was $8,264.83. In 1923-24 there was no expenditure. Up to February 20, 1925, the expenditure was $2,579.06.

Mr. MEIGHEN: What about all those trips round the world in the negotiation of treaties? They cannot be included.

Mr. ROBB: My right hon. friend will find a return of my expenses in the Auditor General's department, I believe they will compare very favourably with his own travelling expenses when he was Prime Minister.

Mr. MEIGHEN: They will not be any less.

Mr. ROBB: Do not be too sure about that.

Mr. MEIGHEN: I guarantee it right now. However, I was not speaking of the amount of the expenses, I was saying that they cannot be included in this item.

Mr. ROBB: They are not in this item.

Mr. MEIGHEN: What has this to do with the negotiation of treaties, which has been largely a matter of voyaging?

Mr. ROBB: My right hon. friend will observe that in 1923-24 there was no expenditure. In 1922-23 there was an expenditure of $8,264.83. I have not the details but my right hon. friend will remember that the Minister of Finance in that year negotiated a treaty with France and, I think, with Italy, but I am not sure whether the expenses on that occasion are included in the amount or not. As to the expenditure up to February 20, 1925, of $2,579.06, I do not know what it represents.

Mr. MEIGHEN: I should like to know first what portion of the expenses this covers. It does not cover the entertainment of the treaty makers; that is in the one before. What could it cover?

Mr. ROBB: This does not include all but I am told some of this expense was incurred by the Minister of Justice (Mr. Lapointe) in going down to Washington. I am not very sure—I should not like to be quoted as saying it—whether part of the expenses of the gentleman who went to the West Indies is charged here, but I will get full details for my right hon. friend.

Mr. MEIGHEN: That is what I would like to know—what this covers; and what jaunts are in mind this year.

Mr. ROBB: I will get that information for my right hon. friend.

Mr. MEIGHEN: Mr. Ross is still at sea is he?

Mr. ROBB: Yes, I am told he is likely to land at Sydney on the thirteenth. If he goes by rail, he will be in Melbourne before the sixteenth.

Mr. MEIGHEN: Is that the reason why the government are trying to hurry the session —so that there will be no chance of getting the Australian treaty through?

Mr. ROBB: I will be glad to hear that there is any prospect of getting it through.

Mr. MEIGHEN: Will the minister say the trip of Mr. Ross is included under this item?

Mr. ROBB: I would not think so. He is an officer of the department and his expenses are charged up to the department.

Mr. MEIGHEN: So are the expenses of the Minister of Justice. For the life of me I do not know what can be included in this item. It is a new item, it was put in by this government.

Mr. ROBB: Yes. It was first included in the estimates for 1922-23.

Mr. CALDWELL: Has the minister had representations from numerous firms in Canada urging that the Australian treaty should be ratified?

Mr. ROBB: Yes.

Mr. CALDWELL: I have had a number of letters myself from men in New Brunswick who had quite a large trade with Australia and they say that, due to the suspension of this treaty or the uncertainty about it, no one in that dominion will do business with them. They are waiting to know what the terms of the treaty will be, expecting there is a possibility of better terms.

Mr. ROBB: That is good news.

Mr. CALDWELL: Well, it might be better. At the present time they say the business they did have is entirely suspended; that no one will order goods from Canada because they are waiting to get the benefit of this treaty. I think it is urgent that the matter be hastened as much as possible.

Mr. ROBB: I agree with my hon. friend.

Mr. CALDWELL: I should not like to accept the idea the leader of the opposition has advanced that this session would be over before anything would be done about it. If that is likely, is it possible for the government to negotiate this treaty during the recess? Or must it be ratified by parliament?

Mr. ROBB: I would not commit myself as to that.

Mr. CALDWELL: Because if not, parliament might give the government whatever authority is necessary to negotiate this treaty.

Mr. ROBB: I have nothing to add to the statement made by the Prime Minister. I do not think it is wise to state anything further.

Mr. CALDWELL: I should like to get information as to the authority of the government to negotiate a treaty when the House is not in session. I think we passed an act two years ago authorizing the government to negotiate a reciprocity agreement with the United States if the opportunity ever offered. I should like to urge the government very strongly, if this Australian treaty is not consummated and ready for ratification before the House prorogues, to bring down a bill and obtain authority to ratify this treaty, such treaty to be submitted to parliament at its next session for confirmation if necessary; at any rate, that the government should have authority to deal with this treaty when the negotiations have been completed by its representative who is now in Australia.

Mr. MEIGHEN: Why does the hon. member want an assurance that the government will pass and sign the treaty when he does not know what is in it?

[Mr. Robb.]

Mr. CALDWELL: I presume that our government would not negotiate a treaty that would be to the disadvantage of Canada. The representations I have from business men in New Brunswick, amongst them the canners of fish are that the terms as proposed would give Canadian business great advantages in Australia.

Mr. MEIGHEN: I cannot find what they are.

Mr. CALDWELL: I have not been able to either. I do not know what these people have in mind. In their letters to me they indicate they did have an idea that it would be of great value to their interests. If there is anything we can do to assist business in Canada by a treaty or otherwise, it is our duty to do it.

Mr. MEIGHEN: I have not as great faith as the apostle of Israel to my left—

Mr. CAHILL: My hon. friend is almost alone in Canada in that respect.

Mr. MEIGHEN: I almost have a feeling I would like to be alone when I see the hon. member approaching. The speech of the hon. member to my left (Mr. Caldwell) exemplifies about what everybody in Canada knows about this treaty. Business men seem to be able to make a guess. They are permitted by the government to make a guess with impunity. Australia is permitted to publish what it believes to be the treaty. The United States representatives are permitted to send to their government what they believe to be the treaty. In fact everybody is permitted to do what he likes and to know what he likes about the treaty except the parliament of Canada; but the constitution would crash if this government gave the least intimation to hon. members of the House as to what is in the treaty. Not only have we not the right to know what is in the treaty that this government is about either to execute or abandon but we are not permitted to know what the object of the present mission of Mr. Ross is. We are told, or it is intimated to us at least, that the government is not satisfied with some clause about Australia requiring goods that get the preference from us to be 75 per cent manufactured in Canada. This is as far as anybody will go in the way of letting parliament know what is the reason for the delay or what is the object of the Ross mission. But anyone who reviews the terms of the treaty and the facts of the actual trade of Canada knows that that clause has mighty little significance,—I do not say it has none but

it has very little, for the simple reason that the goods we sell are made more than 75 per cent in our own country. Will the minister say now whether there is any other object in Mr. Ross' visit, save to review this one clause and adjust it satisfactorily? Has there been some proposal given Mr. Ross to transmit to Australia, altering the alleged treaty in some other way? Are those terms that are advertised by the plenipotentiaries of other countries as the terms of the treaty really the terms of it? If so, is there some particular besides the one the hon. gentleman has referred to that the government is not satisfied with? If there are any people in this world, I would think, who had the right to know what was in this treaty at this stage, it is surely the representatives of the people of Canada. Are these one-time, sometime apostles of the rights of parliament, of the true underlying principles of democracy, these decriers of autocracy, these people who would restore responsible government,—are these to be those who hide and continue to hide the essential elements of a really important treaty from the parliament of Canada long after the parliaments of other countries have been advised? Is the minister prepared to accept that as the situation and allow parliament to be dissolved and the treaty to be still at sea when we come home after the fourth session?

Mr. ROBB: I do not think any good purpose can be served by discussing this matter. I am sure my right hon. friend is as anxious as I am to have a favourable trade agreement with the sister dominion of Australia. I am satisfied of this, because men with whom he himself was closely associated, made an attempt on two different occasions to make such an agreement.

Mr. MEIGHEN: Just one.

Mr. ROBB: Sir Mackenzie Bowell and Sir George Foster?

Mr. MEIGHEN: That was before my time.

Mr. ROBB: I am frank to say this: That there are those in Australia and there are those—well I would not say in Canada, but there are those on this continent—who are not anxious this trade agreement should be consummated.

Mr. MEIGHEN: In Canada, did the minister say?

Mr. ROBB: I do not think any good purpose can be served by a discussion of the matter, and I do not wish to be drawn into such a discussion.

Mr. CALDWELL: I received a letter from a certain business man in New Brunswick about a month ago. He said that in conversation with a member of the manufacturers' association, that gentleman said to him that the reason this treaty was not ratified was on account of the opposition of the Progressives in this parliament. In reply to him I said there had been no opposition by anybody, because no treaty had been submitted to the House, and it was pretty hard to say whether we would support it or not until we heard what it was. I wonder just how the member of the manufacturers' association got that impression. The minister said he would hesitate about saying that there were people in Canada who might be opposed to the treaty; and so far as I am personally concerned I wish to disclaim any opposition to the treaty until I know what is in it, and I do not wish to be under the imputation that I am against it, as has been suggested by the member of the manufacturers' association.

Mr. ROBB: I am sorry if I have created the inference that it was representative of the people in the House of Commons that might be opposed to it; that was not what I had in mind at all. But there are certain strong interests, both in Australia and in the continent of America, that are doing the best they can to create divisions, and I do not think any good purpose can be served by a further discussion at this moment.

Mr. MEIGHEN: What portion of the continent of America does the minister refer to?

Mr. ROBB: I would rather not go any further.

Mr. MEIGHEN: In Canada?

Mr. ROBB: I am not going to discuss it.

Mr. POWER: Wrangel island?

The CHAIRMAN: Six o'clock—

Mr. MEIGHEN: This is important enough to miss a dinner over it.

The CHAIRMAN: Shall the item carry?

Mr. MEIGHEN: No, stands.

Item stands.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. ROBB: Before recess the leader of the opposition (Mr. Meighen) asked for information with reference to certain exenditures between the years 1922 and 1925 in connection with this vote. The following expenditures were made in connection with the negotiation of treaties in 1922-23:

French, Belgian and Italian treaties—	
Right Hon. W. S. Fielding..	$4,434 00
J. A. Russell..	1,797 37
R. B. Viets..	2,033 46
	$8,264 83

Mr. Viets acted as private secretary and legal adviser.

In 1923-24 there were no expenditures. In 1924-25 they were as follows:

Trade Arrangement with Spain—	
Hon. E. Lapointe..	$1,680 00
Mr. W. McL. Clarke..	2,015 31
	$3,695 31

Mr. Clarke is our trade agent at Milan, in Italy, and this expenditure was incurred in connection with a trade arrangement which we have been completing with Spain.

Mr. MANION: I understand that before six o'clock we were discussing the Australian treaty. Can the minister tells us what progress has been made in that direction?

Mr. ROBB: I cannot give any information in that regard at present.

Mr. LEADER: What progress has the government made in the matter of treaty negotiations with the United States? I believe there is a standing offer from this government to the United States, made by the Minister of Finance (Mr. Fielding).

Mr. ROBB: The United States has not responded as favourably as we desired, but we are not without hope that a more favourable attitude will be assumed in Washington towards Canada.

Mr. MEIGHEN: How favourably have they responded?

Mr. ROBB: Well, not as far as we would wish.

Mr. MEIGHEN: Will my hon. friend indicate just what they have done in the way of response?

Mr. ROBB: No, I could not.

[Mr. Meighen].

Mr. MEIGHEN: I did not think he could.

Mr. LEADER: Have the government renewed their activities in that regard?

Mr. JACOBS: When we appoint an envoy at Washington he will probably make things go a little more rapidly.

Mr. MEIGHEN: Would it not be wise on the part of the Acting Minister of Finance or the government to make some gesture in order to satisfy hon. gentlemen to my left? They do not need to make any to satisfy themselves.

Mr. JACOBS: Is not the appointment of an envoy a gesture?

Mr. MEIGHEN: Mostly so.

Item agreed to.

Grant to the National Battlefields Commission—	
(a) For expenses of administration..	$ 6,000
(b) For maintenance of the National Battlefields Park..	35,000
(c) For maintenance of Martello towers, numbers 2 and 4..	1,000
(d) For new works in the park..	
	$42,000

Mr. MANION: What is being done by the commission?

Mr. ROBB: The National Battlefields Commission has been in existence for a number of years. The money is paid over to the commission by way of grants. It was constituted in 1908 by act of parliament. The object was to preserve the battlefields of Quebec. The commissioners were empowered to acquire land and to receive and expend money, whether appropriated by parliament or contributed by individuals. The Minister of Finance was authorized to pay from the consolidated fund the sum of $300,000 for the purpose set forth in the act. This grant, together with amounts received from public subscriptions, was sufficient to meet all charges up to and including the fiscal year, 1911-12. Subsequently it has been necessary to vote and pay over to the commission the following amounts: 1912-13, $116,500; 1913-14, $145,000; 1914-15, $143,000; 1915-16, $118,100; 1916-17, $34,160; 1917-18, $52,100; 1918-19, $39,550; 1919-20, $36,450; 1920-21, $41,450; 1921-22, $51,600; 1922-23, $42,000; 1923-24, $41,600; 1924-25, $47,000. The chairman is Sir George Garneau, the secretary, C. E. Gauvin.

Mr. MANION: Are these moneys spent entirely in the province of Quebec?

Mr. ROBB: On the battlefield of Quebec where Wolfe and Montcalm fought.

Mr. BROWN: Is the vote limited to that one particular battlefield?

Mr. ROBB: Yes, by act of parliament.

Mr. ROSS (Kingston): What are the Martello towers, Nos. 2 and 4?

Mr. ROBB: They must be somewhere along the ramparts of Quebec. I am not sure whether they are near Wolfe's Cove or not.

Mr. ROSS (Kingston): It means that the towers are part of the battlefield?

Mr. ROBB: Yes.

Mr. BROWN: Was all the appropriation spent last year?

Mr. ROBB: Yes.

Mr. BROWN: I am thoroughly in sympathy with the purpose of the vote, but it seems to me a very large sum of money for that one particular place.

Mr. ROBB: It is very much smaller than it used to be.

Item agreed to.

Grant in aid of the Canadian General Council of the Boy Scouts Association, $15,000.

Mr. MANION: Will the minister give us some details?

Mr. ROBB: The Canadian General Council of the Boy Scouts Association aids in a general way the objects of the movement in Canada. The officers are: chief scout, Baron Byng of Vimy; chief commissioner, Dr. James W. Robertson; assistant chief commissioner, John A. Stiles; dominion secretary, Gerald Brown; hon. treasurer, D. M. Finnie. From 1914-15 up to 1921-22 they were given $5,000 a year. Since 1922-23 they have received $15,000 a year.

Item agreed to.

Contribution to aid in carrying on the work of the Royal Astronomical Society, $2,000.

Mr. MEIGHEN: Why is this vote? We have our own two observatories.

Mr. ROBB: This vote has been in the estimates since 1910-11. The society is for the purpose of stimulating and encouraging the study of astronomical subjects. The vote is for the publication of the journal and handbook and for public meetings. Revenue is derived from grants by the Dominion and provincial governments and by the city of Toronto and the University of Toronto. There is a further revenue from the fees of members.

Mr. GARLAND (Bow River): Mr. Chairman, the other evening we had votes for the Dominion observatory at Ottawa and the Victoria observatory, and we were given to understand that a large percentage of the money was for the issue of publications. Is there not a possibility of duplication here, if both the observatories and this society are carrying on similiar work? As the right hon. leader of the opposition said, the United States with its large population has only two observatories.

Mr. ROBB: This is a very small vote, and the society receives some assistance from the provincial governments as well as from the city of Toronto and the University of Toronto.

Mr. MEIGHEN: What provincial governments? Do all of them subscribe?

Mr. ROBB: I could not tell my right hon. friend.

Mr. MEIGHEN: Does it say provincial government or governments?

Mr. ROBB: Provincial governments.

Mr. MEIGHEN: Has the minister any account of the accomplishments of the society?

Mr. ROBB: No; there may be in the library.

Mr. GARLAND (Bow River): Mr. Chairman, with the little information at our disposal at the moment, I am not prepared to suggest the striking out of this vote, but in view of the amount of money which is already being spent by the government on astronomical work, I submit that we are scarcely justified as a committee in going much further without fuller information. What is the nature of the work being performed? And just why is this sum voted? Can any scientific society come to the administration and ask for two or three thousand dollars and get it without giving some reasons? If there are any reasons, what are they?

Mr. ROBB: If we made grants to all the societies that applied to us the supply bill would be much larger than it is. I cannot give my hon. friend any further information.

Item agreed.

Grant to the Royal Society of Canada, $8,000.

Mr. GARLAND (Bow River): In view of the amendments to the Criminal Code introduced the other evening by the Minister of Justice (Mr. Lapointe), I presume it might be well to amend this vote by striking out the word "Royal."

Mr. MEIGHEN: The hon. member's information is a little scant. This society was organized with the full approval, both as to name and purpose, of Her Majesty the Queen at that time. I would strongly recommend to the member for Bow River that he attend some of its sessions and not only listen to the addresses, but read its literature. In that I am not intending to pay any compliment to myself.

Item agreed to.

Royal Canadian Academy of Arts, $2,500.

Mr. MEIGHEN: This is new to me.

Mr. ROBB: It has been in the estimates since 1910-11. The object is to promote interest in the fine arts. The members of the academy give their services gratuitously. Free classes are held at large centres throughout the Dominion. Grants are made to the Toronto and other large exhibitions. The president is G. Horne Russell; vice president, Henry Sproatt; secretary, E. Dyonnett; treasurer, C. W. Simpson.

Mr. MEIGHEN: Does the minister know any of them?

Mr. ROBB: No, I have not that pleasure. From 1910-11 to 1912-13 they received $2,000 a year, but in 1913-14 the government of the day increased their grant to $5,000 and this continued until 1916-17. In 1917-18 it was reduced to $2,500 and they were paid that amount until 1920-21. In 1921-22 they were given $7,500 and in 1924-25 the grant was reduced to $2,500.

Item agreed to.

Grant to the Inter-parliamentary Union for Peace, $400.

Mr. GARLAND (Bow River): What are the activities of this organization with respect to peace?

Mr. ROBB: This amount has been voted annually since 1914-15. The secretary is Mr. Charles Lange, with headquarters at Geneva. They have been paid $200 each year.

Mr. GARLAND (Bow River): What is the work they are doing?

Mr. ROBB: They have annual meetings, and so on.

Mr. HOEY: Are they associated with the League of Nations?

Mr. ROBB: I could not say.

Mr. MEIGHEN: Why is the amount doubled this year?

[Mr. E. J. Garland.]

Mr. ROBB: My recollection is that this year they meet in Washington and I think it is expected that they will come to Canada.

Mr. STEVENS: The $200 is to entertain them here, is it?

Mr. ROBB: No, I think there is another grant for that.

Mr. GOOD: It seems rather ridiculous to be spending $400 on organization for peace when we are spending about $12,000,000 on preparations for war, or on so-called defence. If there was anything worth while in this organization I would be prepared to support a much larger grant. We ought to know something more about it.

Item agreed to.

Civil Government—Insurance—salaries, $80,350; contingencies, $61,000.

Mr. MANION: Why the increase?

Mr. ROBB: The increase is due to one promotion, senior actuary to chief actuary, A. D. Watson, $675; one promotion, senior actuarial examiner to chief examiner, W. H. Gilliland, $675; one promotion, statistical clerk to senior statistical clerk, H. A. Urquhart, $360; statutory increases, $2,130; one clerk additional, $960. That accounts for the increase.

Mr. MEIGHEN: This is the department where the minister strolls around and goes into nearly every business in the country. I see in the details that the salary of the Superintendent of Insurance is now raised to $10,000 a year.

Mr. ROBB: It has been at that figure for some time. The cost of the administration of this office is paid by the insurance companies.

Mr. MEIGHEN: I know, but that means that in the end it is paid by the taxpayers of Canada. The statute under which this department was created provided for a salary of $5,000 for the Superintendent of Insurance, and I believe it still provides for that. The increase must have been made last year. How does the minister justify raising it to $10,000?

Mr. ROBB: My right hon. friend should have raised that question some time ago. I think the increase was made four or five years ago.

Mr. MANION: No it was made last year, I think, or the year before, because I remember receiving circulars opposing it. The increase may not have been from $5,000 to

$10,000; at any rate it was made $10,000 at that time. I have nothing to say against Mr. Finlayson in any shape or form, but this does seem a pretty heavy salary in view of the fact that most of our deputies receive $6,000 to $8,000.

Mr. ROBB: My recollection is that the increase was made at the request of the people who pay the expenses, the insurance companies themselves. Mr. Finlayson is a most excellent officer, and when you compare the salaries that are paid to managers of insurance companies with the salary that Mr. Finlayson receives, I think we have him at a very reasonable rate. Mr. Finlayson was not appointed by this government, but by my predecessor Sir Thomas White, and I recall that the last time I met Sir Thomas White he told me he considered Mr. Finlayson one of the best officers in the department.

Mr. MANION: I was not attempting in any way to criticize Mr. Finlayson. I have no reason to have anything else but respect for him. But I notice at page 85 of the Estimates of 1924, that is two years ago, the Superintendent of Insurance was granted $1,000 additional to his salary. Can the minister tell me what Mr. Finlayson's salary was in 1924?

Mr. ROBB: No.

Mr. MEIGHEN: If the minister will look, he will find that two years ago he increased what the statute allowed, from $5,000 to $6,000, by the simple expedient of a vote in the estimates. This last year, not content with that increase, he put through a vote of $5,000, replacing the $1,000 increase, and making the salary $10,000, or twice the amount the statute allowed. That has continued this year. As to Mr. Finlayson's ability I have not the least doubt in the world. He is not only a resourceful man, but he is an exceedingly determined and self-willed man.

Mr. ROBB: Is not that a pretty good type to have in the department?

Mr. MEIGHEN: It is, but like everything else it requires restraint.

Mr. ROBB: We all require that.

Mr. MEIGHEN: I do not see it applied very much, though.

Mr. JACOBS: Some require a rope.

Mr. MEIGHEN: A rope would not do much harm here. I am sure I have given the history of it correctly. Now this excuse about the insurance companies wanting him paid this much because they pay it, is just so much air, so much froth and eyewash. Insurance companies, of course, have a large scale of salaries, and the men in that business have not very much difficulty in getting them. It is all passed on. But a little excess passed on to the public is reflected in a pretty big way in the central office. I suppose they like working in with the department, but the fact is that the public has got to pay it. It all comes down ultimately to the public; they have to pay the money. I do not know any reason in the world why a man carrying out the provisions of a statute, even though I think it has been unnecessarily enlarged, in the way of a supervisor, with no duty of making any money, no responsibility of making a real commercial success of it, differing in that way wholly from the responsibility that is centered on the head of an individual business, should get in a class like this and thereby contribute to raising the whole level of salaries in the country, when the country is going back, as it undoubtedly is, one hundred million dollars a year. If there is any method in the world of preventing any further increase in the general scale in any way at all, it ought to be done; it has got to be done. But I do not know when the opposite tendency was more accentuated than it has been this last two or three years. I do not doubt the ministers could point to some importunity to which they have not yielded, but they would have difficulty, I think. One deputy minister after another came in first, under one classification; then they got in under another classification, because there were some left out of the first, until finally the whole of them got in and drew $8,000. Those immediately under them are creeping into close approach, and the superintendent of insurance sets a grand example when he goes up to $10,000. This is all fine for everybody except the taxpayer of Canada.

Mr. BAXTER: I would like to call the minister's attention to the fact that a salary of $10,000 is equal to the salary of any judicial position in Canada with the exception of the salaries on the bench of the Supreme Court of Canada. It is therefore rather extraordinary in the line of salaries. I have a very great admiration for the ability as well as the persistency of the gentleman who is receiving the salary, but I want to emphasize, if I may, the fact that it is the practice of governments throughout the country to think that in some way they escape criticism, or in fact escape responsibility, by devolving upon some groups or associations a part

of the public charge. I know in the provinces it is a common thing to say: Oh well, we have imposed such and such a tax upon people in a certain line of business; therefore the public does not bear it, and it is no expenditure on the part of the government. The same thing is being said here. It is not healthy. We cannot expect any charge to be put upon any department of business without having that charge reflected in the cost of that business to the people. If you take insurance, while it is competitive in a sense, we all know the rates are absolutely fixed, and necessarily fixed, by agreement between the companies. Therefore, every penny that you add to the cost of administering the insurance system as a whole must be reflected in the rates charged the people for their insurance. It is not much use to talk about the high cost of living when by one little step after another we do everything in our power to enhance the cost of the different things that go to make up a living.

Mr. GARLAND (Bow River): Has the minister received any reports from the Inspector General of Banks this year?

Mr. ROBB: That does not come under this vote, but I may say that I have received a number of reports from him. I receive reports from him every week.

Mr. MANION: In further reference to Mr. Finlayson's salary, just to set the matter right I sent out to the library for the statutes, and I find that by chapter 29 of 7-8 Edward VII:

> The Governor in Council may appoint an officer to be called the Superintendent of Insurance. . . . and such officer shall be paid such salary, not exceeding five thousand dollars per annum, as the Governor in Council, may, from time to time, fix and determine.

That is his original salary was not to exceed $5,000. It does not say it has to be up to $5,000, but it must not exceed that figure. So since 1908 this man's salary has doubled. I would be the last to protest against paying to a decent extent any civil servant, but we must not forget that when we are paying a civil servant a salary of $10,000, that is as good as $15,000 a year to a professional man. Take a doctor, or a lawyer, more particularly, because a lawyer has more expense. He would have to earn $15,000, which is a pretty fair income in Canada for the ordinary lawyer or doctor, to make $10,000 a year net. I only mention this in a general way so far as I am concerned, but I wish to associate myself with the others who have protested against any general increase of salaries at this time, when we should be endeavouring to cut them down instead of increasing them. If in 1908 we could get a man for $5,000 while the cost of living may have risen it has not increased to the extent of justifying the doubling of a man's salary.

Mr. GOOD: In regard to this particular officer, my own feeling is that Mr. Finlayson is entitled to as much salary as the other deputy ministers, but I do deplore very much the increases in the salaries of the deputy ministers that have taken place in the last three years. I do not see any justification for it. I have spoken on this matter in previous years. I think it has been a great mistake to have had such large and rapid increases in the salaries of deputy ministers.

Item agreed to.

To provide for the expenses of work in the interest of fire prevention to be carried on by the Department of Insurance, $10,000.

Mr. BAXTER: I should like to know just what is being done in connection with this vote? In some of the provinces it has become the custom now to have a local officer appointed to investigate the causes of fire. It has been done in my own province, and I think the results are good. I should like to know in a general way just how this money is spent, through whom, and the general character of the expenditure?

Mr. ROBB: This vote is for fire prevention purposes. The amount is $10,000 as compared with $12,000 for 1924-25. The vote includes the salary of Mr. J. Grove Smith $4,800 and of Miss B. N. Grafton senior clerk-stenographer, $1,440. The expenditure for 1921-22 was $10,680.51; for 1922-23 $18,287.37; and for 1923-24, $11,380.70. The expenses during the current fiscal year were: salaries $6,164.67, travelling $1,059.09, printing $1,737.55, sundries $463.67; total $9,549.49.

Mr. BAXTER: I wonder if the minister realizes that, listening to him as well as I could, I have got the idea that this vote costs the country a little less than $10,000 this year; that it consisted in salaries to Mr. A., Miss B. and some other people, and some travelling expenses. After that explanation I am left just as much in the dark as ever as to what those people do. I do not doubt that some people got salaries, but I want to know, if I can, and if the minister has the information, in what practical way these people are doing anything that results in any benefit to the country. I assume they are doing something, but I want to know what it is.

Mr. ROBB: Mr. J. Grove Smith is sent about investigating fires, wherever they take place, and giving lectures urging people to do what they can to prevent fires. In a word he is carrying on fire prevention work. I understand that in addition to that the officials have had under consideration for some time—and they claim they will complete the work this year—some experiments in connection with fireproof roofing. The idea is to demonstrate to the people how best to prevent fires; and those who desire it can get information as to the proper construction in order to get the lowest insurance rates.

Mr. BAXTER: I am getting a little more interested. I think I remember now hearing something about the fireproof material last year. It surely cannot take very long to determine the qualities of that material. Some of these investigations remind me a good deal of something that happened down in my home town some years ago. There had been extensive dredging done by Canada. Then some people drove piling into the sloping bank. Then they put a wharf on top of the piling and were preparing to put a warehouse on top of the wharf in the full faith that the laws of nature would be suspended in favour of the port of St. John. They were not, however, and the whole thing toppled over into the water. Then they brought engineers in—very skilled men standing high in their profession. One of them took some mud and put it in a tea cup with some water and stirred it round in order to determine what the cause of the accident was. Any longshoreman, or any person of ordinary observation would have told him the cause of what had happened. I think if some of these Laurier matches that are supplied around this House were properly scratched and applied to a bit of so-called fireproof material, it would resolve the question in a very few seconds as to whether it was fireproof or not. So far as that goes the minister's explanation has really not impressed me to any extent, except with the idea that somebody is getting a salary, or that several people are to do something that I do not see has yet resulted in any particular benefit. Now, lectures are being delivered. Are these lectures delivered to insurance companies or to the general public, and if so, at what points are they given and what is the net result of them? I know what is being done in my own province with the money that is being spent there for fire protection. I know the fire marshal. I know that he holds investigations. I know that he makes reports as to the causes of fire, and I know that he institutes prosecutions. I am only speaking as a member of the public; I have no special source of information apart from the newspapers. But the minister who asks for this vote has not yet told me a single definite thing that is being done by these people. This is a small amount, it is true, but it seems to me it is something someone has started, and in another form is adding to the high cost of living without giving the slightest bit of benefit. I am driven to that conclusion for the want of any better explanation.

Mr. ROBB: I have not the details of all the activities of this gentleman during the year. If my hon. friend would get the report of the Department of Insurance he might find something there; but when he said that I have not yet impressed him I wonder if I can impress him with this talk: this work was started in 1921 and we have reduced the expenditure from $18,287.37 to $9,549.49. I wonder if that impresses my hon. friend?

Mr. HANSON: Why not abolish it altogether?

Mr. ROBB: I suggested that myself.

Mr. HANSON: I would agree with you.

Mr. ROBB: I made inquiry when this question came up before the Treasury board and asked why this expenditure should be made. It was represented to me that this man was doing some good work, and they wanted him kept in office at least until they had completed the investigation into fireproofing material which was under way and which is taken care of by another vote, to be reached in a few minutes.

Mr. HANSON: Is not this officer one of the staff that was shelved from the Conservation Commission?

Mr. ROBB: I could not say.

Mr. HANSON: I think if the minister investigates the history of this official he will find that he was one of the former staff of the Conservation Commission. As far as I can learn nearly every one of those gentlemen has been provided for in some other branch of the service. I think the minister's impulse when he made his inquiry before the Treasury board was a proper one. As far as investigation into fires is concerned, that is being conducted now by the Board of Underwriters in every province. In the province of New Brunswick, as my hon. friend

(Mr. Baxter) pointed out, they have appointed fire marshals, who make a very searching inquiry into every fire that occurs in that province, in many instances there have been prosecutions, and in some cases convictions, following their activities. That I think is the greatest deterrent of fire that we can have in the shape of legislation, and it really is a work that should be done by the provinces, being a matter purely of civil rights. I suggest to the minister to strike out this vote.

Mr. ROBB: I would not like to strike it out now, but I am glad to have this criticism, because it is not far out, from my own observation, when it came before the Treasury board. I do not know Grove Smith. I only met him once in Vancouver just after the great fire in British Columbia. I recall that he had been sent up there to go into that matter and see if he could not stir up enthusiasm to have something done to prevent these fires.

Mr. HANSON: Then probably his work has been of some value. What is the minister's opinion as to the activities of the provincial governments in this matter? With the exception of certain portions of the country, these lands are owned by provincial governments and they are very much alive to the question of fire protection and have spent a good deal of money. I do not think there is the slightest criticism of these expenditures, provided the money is well expended, and I would suggest having this item eliminated.

Mr. ROBB: Not this trip.

Mr. BAXTER: This practice started in 1921, and the suggestion was that it was done by the predecessors of the present government.

Mr. ROBB: Oh, no.

Mr. BAXTER: I do not care about that, because I think they were capable of making mistakes, and I think perhaps this is one. If the present government does not make any more serious mistakes I do not object. But the minister will note every year there are millions of dollars worth of practically irreplaceable material in the natural resources of the country going up in smoke. The provinces that are interested in timber are doing a great deal. They have not been able—and perhaps no one ever will be—to cope successfully with this destruction by fire, but this amount of money is too small to save even the dwelling houses or the timber. It would be far better to turn this money into another channel, put more with it and do something to save our natural resources. In other words if we are spending the money, spend enough to do some good.

Item agreed to.

To provide for the expenses of a technical investigation under the supervision of the Department of Insurance into the merits of the various forms of roof coverings from the standpoint of fire protection, $8,000.

Mr. HANSON: I thought the last vote covered this.

Mr. ROBB: No. The last item was to provide for watching this matter for the department. This work is carried on in the laboratory in McGill University under the direction of Professor French, Mr. Mackay and Mr. Johnson. Mr. J. Grove Smith is the link between the department and this work.

Mr. BAXTER: I suppose the first vote we passed was to pay for the man who held the match and scratched it, and this is to pay the man who looked at the result. As a matter of commonsense, can it be contended that it takes more than two successive years to find out about every roof covering we have in this country, and that it costs $8,000 odd to find out what will burn and what will not burn. I sympathize with the minister. He has had this thing loaded upon him. It is part of the precedent, and he can never get rid of it.

9 p.m.

Mr. ROBB: I think this will be the last year.

Mr. BAXTER: I hope it will be.

Mr. ROBB: I am sure it will be.

Mr. HANSON: How many years has this vote been running?

Mr. ROBB: The record I have does not go back any further than the previous year, when the amount was $8,500. It is down to $8,000 now. This is only the second year for this grant.

Item agreed to.

IMMIGRATION AND COLONIZATION

Immigration, contingencies and general expenses, including grants to immigration and colonization societies or associations as may be authorized by the Governor in Council, $1,350,000.

Mr. LAPOINTE: I move that vote 63 for immigration contingencies be reduced by $70,000.

Mr. JACOBS: What is the reason for this untoward action on the part of the government?

Mr. LAPOINTE: Virtue.

Mr. JACOBS: I suppose that is why the Minister of Justice was asked to move it.

Mr. BAXTER: We hear a great deal of talk about immigration. Could we have some brief explanation as to what societies are doing this work, and what results they are producing?

Hon. J. A. ROBB (Minister of Immigration and Colonization): I will come to that under another vote.

Mr. HANSON: I think we should have a general statement from the minister as to the activities of the past year and the prospects for the future. There is a great deal of criticism of this department with regard to its activities and lack of results.

Mr. ROBB: The reduction of $70,000 is the result of a decrease of ninety-six in the number of temporary employees throughout our immigration service, whose salaries have been paid out of this vote for a number of years. In 1924-25 we had 170 temporary employees and for 1925-26 we have reduced this number to seventy-four only, or a decrease of ninety-six. There are 82 positions which will be permanent appointments. This permanent reorganization has been effected with the approval of the Civil Service Commission. To cover the salaries of these eighty-two the amount of $50,000 will be provided for in the supplementary estimates for 1925-26 under the heading of immigration outside service salaries. The net result of this reorganization will therefore be: (a) A net reduction of fourteen in the number of our outside service employees; (b) a net decrease or saving of $20,000 in salaries.

Mr. LEWIS: What was the reason of the $229,000 reduction last year?

Mr. ROBB: We are getting along with less money. That is the reason.

Mr. LEWIS: Is that the only reason you can give?

Mr. BAXTER: How many immigrants were brought in during the last fiscal year?

Mr. ROBB: In 1924-25 there were 111,362 and the year before 148,560.

Mr. HANSON: There is a very marked falling off in immigration into this country. I take it that this total includes not only immigrants from Europe but also those from the United States. We are voting each year a large sum of money for immigration purposes and the results are extremely disappointing. The minister should be prepared to make a general statement covering the whole field of activities of the department when he asks parliament to pass a vote of this kind. The government is asking for a blank cheque of some $1,350,000 to be disposed of by order in council just as it may see fit, and that is rather a large order in these days. The minister therefore owes it to himself as well as to the House and the country to give some more satisfactory explanation than we have so far received. As a matter of fact we have not yet had any explanation. What is the policy of the government?

Mr. ROBB: To be frank, the policy of the government is to secure quality rather than quantity. We are careful in the admission of citizens to bring in such people as we believe will remain in Canada, and we are more particularly interested in the type of people who will settle on the land and stay there. We are also endeavouring as far as possible to bring in families. When you bring in a single man who has no ties he has no anchor to keep him on the land and he is more apt to drift away. This is not so in the case of the family unit, and for this reason we endeavour to bring in families. The difficulties to-day are greater than those that had to be met some years ago. In the first place, Canada has no free lands to offer as she had at that time, when we were prepared to give 160 acres to anyone who would settle. We have not that free land to-day, although land is available at reasonable prices. These are some of the difficulties so far as Canada itself is concerned. And in the United Kingdom and elsewhere on the continent the people have not as much money as they had before and consequently are unable to travel. The conditions are worse in Europe now than they have ever been before, and they are worse than they are in Canada. The governments of those countries are not anxious to part with the agricultural type that we require. Then the cost of transportation is higher; it costs a family of five $580 to come to Canada to-day. This of course is a considerable drain on the capital with which the immigrant starts out. A few years ago the same family could come to Canada for $165. These are some of the difficulties which the department is actively engaged in overcoming. The number of immigrants coming in from the United States is however larger than heretofore; I refer to the agri

cultural type. Favourable prices for the products of the farm will do more to induce the people to come into the country than all the missionary lecturers whom you could send abroad could accomplish. The people will go where they see an opportunity to improve their position in life. I am bound to say that there has been a good deal of adverse criticism of this country disseminated by the press of other countries. We are receiving letters every day from Canadians both at home and abroad who want to know why we do not take some steps to stop the propaganda, particularly in the press of the United States, against this country. We are doing all we can to counteract such criticism and we are getting more favourable publicity now. But we may as well admit frankly that Canada has received very unfavourable advertising from "whispers of death" and the lamentations of Jeremiahs out of office published in Canadian newspapers and magazines and reproduced in the press of the Old World. And every member of parliament who gets up in this House and puts on the records of parliament criticism adverse to this country is helping to injure Canada. It is well to criticize a government, but there is a limit. There is a difference between criticizing the government and running down your country, and Canada is suffering from that sort of thing just now. However, I believe that conditions are improving in this respect and there is less of this sort of thing now than two years ago or so. I am not without hopes that if we can secure more reasonable transportation rates there will be a tide of immigration to the land which will produce revenues for the railways; because every man who produces agricultural commodities adds to the business available for the railways. The policy of the government is to have a selective type of immigration, more particularly of people who will go on the land and remain there.

Mr. HANSON: The minister's statement is an absolute confession of failure on the part of the government to put into effect any policy of immigration that would produce results. The figures he has given to-night speak more eloquently than any words I could utter of that failure. We find a decrease of 37,198 as compared with the year before. Let me tell the minister that no one in this corner of the House has been running down the fair name of Canada. We have not decried the country but rather have we tried to stand behind it. What we have said is that the country is cursed with an inefficient government on the treasury benches.

[Mr. Robb.]

Mr. ROBB: My hon. friend protests too much.

Mr. HANSON: The minister cannot point to any words of mine that are derogatory of this country. We have simply pointed out that an inefficient government is now in office, and the minister's statement to-night is a sufficient indication that after four years in office the government has absolutely failed in the direction of immigration. The minister speaks of a selected type of immigrant. That might be all right if there was not such a crying need for population in this country. I suggest to the minister that any white man or white woman willing to work ought to be welcome. We need them.

Mr. GARLAND (Bow River): What for?

Mr. HANSON: To fill up the vacant spaces, to do the work of this country.

Mr. PARENT: How many jobs can you give them?

Mr. HANSON: The hon member for Quebec West (Mr. Parent) can make his own speech when the time arrives.

Mr. PARENT: I will, right after you finish.

Mr. HANSON: The results so far show an absolute failure on the part of the government to measure up to the requirements of the times. The railways of this country are doing ten times as much as the government in immigration work, and I suspect that there is a tremendous lot of duplication of effort by the railway agencies and the government. The minister ought to co-ordinate the work of these agencies with the activities of his own department so that we may have effective results. Canada is a good country—there are lots of opportunities here for people who are willing to work. The difficulty to-day is that many people do not want to work. That class is not needed here. But it ought not to be difficult for Canada to get immigrants in competition with Australia. From what I can read I gather that the sister dominion is outstripping us at every turn. I am aware that there has been a certain amount of propaganda against Canada. I happened to have the privilege of reading a couple of letters that appeared recently in the Yorkshire Post, written ostensibly from Canada, and I understood that the government was endeavouring to ascertain their authorship. I wonder if they have succeeded in tracing the origin of this propaganda. It seemed to me that the fair name of the Dominion has been defamed, and that it should be the business of the department to trace the propaganda to its source and, if possible, stamp it out.

Mr. CHURCH: Mr. Chairman, when this vote was up about a month ago I was told by the very courteous and fair minister (Mr. Robb) that the House would later on be given an opportunity to discuss the whole question of what I wanted then to discuss—migration within the empire. This is the second if not the first largest problem Canada has to solve, yet during the past four and a half months we have devoted only about two and a half hours to its discussion. What is wrong with Canada? How are we to account for the small growth of our population during the past twenty years? These two questions are on everybody's lips in the Mother Country to-day. Australia is catching up with us and will soon be ahead in this respect. Indeed, it has been predicted by a prominent cabinet minister of Great Britain that within the next seventy-five years Australia will have a population of one hundred million if not surpassing the United States. The trouble with this country is that during probably the last twenty-five years we have followed the policy of laissez faire and let well enough alone in immigration, and the estimates for the current year for immigration are comparatively about the same as they were a quarter of a century ago.

The greatest problem of the British Empire to-day is to redistribute its population. Many returned soldiers among the two and a half million out of work who are to-day receiving doles in England would make the very best class of settlers in the overseas dominions. I agree with the resolution which has been passed by many of the church organizations throughout the country. At the recent synod of the Anglican church of Canada, His Grace the Primate of Canada supported this resolution, which was carried:

> That this council expresses its very strong conviction that at the present juncture a decided preference should be given to immigrants from the British Isles.

I believe that the opinion throughout Canada to-day is that these British immigrants who are our own kith and kin, make the very finest settlers, and I am confident that we would get many more of them if there was less red tape in the administration of the department. On this point the following article in the Empire Magazine for February by Mr. Obed Smith is interesting:

> Then again the system has become overburdened with red-tape. The recruiting sergeant in the field cannot sign on a man without first consulting the war office. I know of a case, a splendid farmer candidate in Scotland who has been kept waiting since September having his case investigated at Ottawa. In the meantime he cannot give notice on the farm he is occupying. He may be lost through delay.
>
> Is it by accident or design that during the past few years the proportion of British to other immigrants has been roughly about 35 or 45 per cent to 65 or 55?
>
> If the figures you quote are accurate, I should say it is not by design. The highest years' figure I remember was before the war about 400,000. Of them 150,000 were from Great Britain. At present immigration is declining steadily, 1924 less than 1923, and 1925, so far, less than corresponding months last year. Great apathy is shown. Of the three million pounds set aside by Great Britain for assistance in overseas settlement only four hundred thousand have been claimed by all the Dominions together. That is certainy not getting together in the right spirit to fill the waste spaces.
>
> Cannot more be done in the way of community settlement? It seems to me that the greatest obstacle to settling people from thickly populated areas in large open spaces is the loneliness of the life.
>
> I have always contended that the Homesteading Act was wrong in compelling homesteaders to reside on part of their holdings. They would be much happier in small communities on land set apart for that purpose, houses within easy reach, a small store or two, a blacksmith shop, a wireless set and some attempt to bring about a community spirit. It would go a long way to alleviate the trials of the western settler. It was such community co-operation which made the Doukhobor settlements so prosperous.
>
> Suppose I am an English country-born man, with a family, and have scraped together 50 or 100 pounds, what can I get in Canada for it?
>
> You must first make application to the London office. Then someone is sent out to interview you and your wife and members of your family. Particulars are sent to Ottawa, and if approved, you are sent to the part of Canada you are deemed most suitable to. You are given a farm for which you must pay in 25 years. You will be found some chickens and a cow perhaps, and will be expected to hire out to get some local knowledge of farming. Your wife and family meantime will exist on the farm allotted to you. You will also be given a loan by the government.
>
> And if the farm is not consdered suitable by me?
>
> Then you can go somewhere else, but at your own expense.
>
> Does not the system seem rather vague and discouraging to the settler, even if he is willing to work?
>
> You cannot give him too much preference, else you are up against the farmers' sons already settled and wishing to take up land about him.

I want to refer to what has been said by some leaders of thought in this country with regard to this subject. The Prime Minister of Canada recently stated:

> If we cease our efforts to fill those great waste spaces with working and productive units, Canada is destined to lag behind and fail to realize what should be her future.

The late Lord Shaughnessy said:

> That the vital importance of Canada's future lay in a sound, sane immigration policy, to be promulgated immediately and to be carried out with intelligence and vigour.

His successor, my distinguished Canadian friend, Mr. E. W. Beatty, president of the Canadian Pacific Railway Company, said last January:

> Seasonal or other unemployment should not have a direct influence on such a national question as immigration. One of the surest ways to avoid unemployment would be the presence in the country of more productive units, whose necessities would mean greater consumption, more activity, and therefore more employment.

Sir Henry Thornton, president of the Canadian National Railways, said in New York:

We have got to stop talking immigration and do something, if we are ever to get anywhere.

And it is all summed up by the Premier of Alberta, who says:

There is no lack of available immigrants in Britain. It remains only to give them in advance a comparative certainty of success. In other words, less "window dressing".

Let us have less of a policy of laissez faire than we have been following for the last few years. Mr. Obed Smith says:

The Canadian government spends too little on colonisation, that great field of promise for the Dominion. The appropriation has hardly been increased over that of twenty-five years ago, when the newly opened farmers' paradise induced a stream of hundreds of thousands. The vote was 25 years ago one and a half millions and is to-day two millions, with a half million extra for settlement purposes.

Compare the aggregate maintenace expenditure of Canada as represented by the estimates for all Canada, now before the committee, $400,000,000, with the little vote of two or three millions for immigration and colonization, which is about the same as it was twenty-five years ago. It is no wonder that Australia can get into the limelight and is getting to-day the cream of the immigration. In a book by Major E. A. Belcher, a great British soldier, published last month and entitled "Migration Within the Empire," the foolish policy of Canada in bringing only agriculturists into the country is criticized. I quote:

A greater difficulty is in the choice of settlers. Again and again in the history of colonisation it has been shown how a settlement scheme has failed because the settlers were unsuited either to their new homes or to their new occupations, or to both, and from that has arisen a theory—

And I am sorry to say that it is the theory this country has adopted.

—a theory upheld perhaps more strongly during the last ten years than at any other stage of British expansion, that the only opening overseas is for the agricultural classes. The theory is a particularly dangerous one, because it contains half a truth, and like most half-truths, is responsible for very erroneous conclusions. It would be well if all statesmen, both in this country and in the Dominions, would agree that the essential factor in the choice of settlers is the personal characteristics of the settler and not his previous occupation. Shorn of all the glowing features which for two hundred years have been the stock in trade of every emigration agent, a settler's life is a hard one. It calls for qualities of perseverence, courage, cheerfulness and independence, which are much more the characteristics of a race than of a class. If the story of colonial expansion were made the subject of real scientific research, it would be found that the deciding factor in the progress of a settler was the racial and not the occupational characteristics of the settler. Indeed, if it were otherwise, it is hard to see how the empire ever got settled at all. Unless we are to range ourselves with pessimists, who assert in precisely the same gloomy fashion, and curiously enough in almost precisely the same language as their predecessors did thirty, fifty and one hundred years ago, that the race is rapidly deteriorating, we may take comfort in believing that the qualities that go to make a successful settler may be found in the workshop, in the warehouse, and in the streets as well as on the land. A good deal of insistence should be laid on this cardinal point. It can, of course, be exaggerated, but there is little danger of exaggeration while so many people assert that it is only the agricultural labourer who will make a successful settler. The choice of settlers is the first difficulty. The second one is their training and their grouping.

He goes on to refer to New Zealand, Australia and South Africa from the point of view of the standard of teaching and the practical work in immigration, and he refers also to a point brought out by the British statesman whom I quoted when he said that in a few years Australia will have a population of a hundred million, equalling the growth of the United States between 1840 and to-day. Now I do not wish to criticize the present minister (Mr. Robb) because I have found him a very modest and hard-working, polite and efficient minister, and at heart a Britisher. I feel sure that he is a believer in immigration within the Empire and that if he was given a wider sphere of activity and a free hand to work he would be one of the first to promote the application of that principle of immigration within the Empire, for he himself rose from the ranks.

In view of the unemployment in the old land and the extent to which England is losing the balance of trade in coal and steel to Germany, it would seem that some action on our part is necessary, and I believe the present minister, if he had only this department to handle, would be the logical man to solve the problem, if anybody in the present government can do it, for our Empire cannot last unless the doctrine of laissez faire is abolished and unless England redistributes its population. The railway mileage of Canada is sufficient for five times the population we have, yet what are we doing. We are spending on immigration and colonization to-day practically what we spent twenty-five years ago. The next war should be on the foolish immigration policy of laissez faire in Canada for the past twenty-five years, to let well enough alone.

I agree with what Mr. Obed Smith says in the February issue of the Empire magazine and he was a friend of immigration within the empire.

He says:

If the Imperial government "still dwells in the night of laissez faire," are the Dominions oversea living wholly in the daytime? I think not, or their own national and local interests would have long since stimu-

lated greater efforts. Migrants are ordinary people, not different—except in circumstances—from those in other walks of life; they must be dealt with by normal businesslike methods, and not by those applied to the migrant of years ago, who left these shores as a last forlorn hope.

A man stays in some particular business or profession because he desires so to do. There is no obligation on anyone to leave, or to remain in England, Canada or elsewhere, unless he is unfortunately in gaol and he stays where his business is because he sees nothing better, or because the better chance has not been presented in an appealing form. A migrant will not leave home until he finds something that is likely to suit him better; but it has been left to the oversea governments alone to spread their wares before the people of the British Isles.

I also criticized the government of Great Britain because they had spent little money in assisting their population to migrate, only £400,000, all told, spent on empire settlement, which is about equivalent to Canada's $2,000,000. Mr. Obed Smith says further:

Imperial migration must have a live partner oversea; but the Motherland should fire the migrant with the spirit of empire-building, whether it be in trade, in the humbler duties of domestic work, or indeed in any other occupation that is not based entirely on the desire for personal aggrandisement.

I hope my progressive friends to my left will listen to this next paragraph:

The other need in the partnership is that the Dominions themselves shall sacrifice some of their own self-complacency, and not only make ready the welcome their own race deserves, but produce a real effort to give pride of place to the overplus of millions the Motherland can so readily spare. It is not carrying a fair share of the load merely to open the door—and that grudgingly in some cases—as certainly, without the general support of the Imperial government, the Dominions will go off the map so far as ultimate success is concerned. They themselves must come forward with much more real assistance in many ways if the supremacy of the British Empire is to be established beyond doubt as an entity and a unity, instead of a commonwealth tied by a silken thread which ought long since to have grown into a cable.

It is not wealth that makes a nation great, but the happiness of the people; and if some millions of British people would have a better chance for themselves and their children's children oversea, the glad song of our citizenship-union will become vibrant through the governments concerned, once they have given the lead. Advances towards the cost of transportation are not enough.

It is admitted that oversea governments or the people they represent have not done all they might have done. Those who have migrated and succeeded often send for their immediate relations, less frequently for friends or outsiders, and, after the family reunion, they get inside a ring-fence, which keeps others out, or beyond which no note of encouragement is heard by those left without. This statement will be challenged: but those who have been selecting and settling migrants for more than a quarter of a century know something of facts which must be faced and remedied with courage, if the replenishment of the empire is to be a real, continuing and vital thing.

Either the oversea Dominions really want many more British settlers, or they do not. Which is it? The figures of migration within the empire are too paltry to quote in connection with so gigantic a need. Ships are not laden with people full of ambition, going to another part of the empire where vacant spaces await them, and where the other partner in the empire-building enterprise should spend time and money in what would be a profitable undertaking from every point of view. If the volume of movement warranted it, transportation rates would be greatly reduced, whereas lack of business actually compelled their increase quite recently, and a vicious circle comes into the question of migration.

Why do the United States of America put restrictions on the number of migrants to be admitted, unless they are getting too many? Their quotas apply to British-born as well as to aliens. Why do more British people go there than to Canada, save in one recent year, and why do large numbers leave Canada for the land of the Stars and Stripes, unless it be that the larger influence always destroys the smaller, and people think that the states offer opportunities which are not offered in Canada? Yet Canada has more room, vastly greater undeveloped natural resources, more need of British people; but where are those fired with zeal for empire who will give up some of the amenities of life in the old land to do their duty in some of the outposts of empire? It is true that a number go to join relatives in Canada, and Canada says she wants them; but does our public believe her when she says she wants people of British stock? That section of the migration scheme will always take care of itself. It will continue despite restrictions by meticulous detail claimed to be for their protection; but what is the driving force to that other section of the movement, for those without relations there, depending much more upon conditions here and oversea? There lies the weakness.

The policy of settling a huge area like Canada needs wide vision and dauntless courage, foresight, ability, sane judgment and lack of party politics. May I say we want British immigration, our own kith and kin to flow into this country. I hope the hon. minister will not think me unkind. I would recommend hon. members to read this article by Mr. J. Obed Smith in the English Review of February this year. He is a stalwart Britisher. Mr. Chairman, I would like to see a more vigorous, sane, economic immigration policy, free from politics, undertaken by this government, and they are no worse and no better than others. This is not a matter which should be mixed up with politics at all. As a humble citizen of this Empire on which the sun never sets, I say it is a question that relates to the life and death of the British Empire. Unless we redistribute our population we are finished as an Empire. I would also recommend the minister and his deputy to read a text book, "Migration within the Empire" by Major Belcher. He preaches the doctrine that "unless this empire redistributes its population it is going the way that many other great empires have gone. I would like to see the minister bring down a vote of about five million dollars for immigration, instead of two millions for the past twenty-five years, this year and ten millions next year and fifteen millions the next year and twenty millions the next year. In Major Belcher's text book is given the votes and the number of immigrants going to dif-

ferent parts of the empire. It shows how our votes rose by small amounts from $1,300,000 to $1,500,000, $1,800,000 and $2,000,000 last year; and that has been only slightly increased this year. Out of four hundred millions for Canada's government only two millions have been spent on immigration this year. I had intended to speak in the debate a month ago but the minister has very generously given me an opportunity of laying these few facts before the House on this occasion, by one who desires to see our great empire grow and expand. Nearly all of our ancestors came from the British isles.

Mr. ROBB: I like the spirit of my hon. friend from North Toronto (Mr. Church). I am bound to say I think it would be better for Canada if all the members of parliament, no matter how much they might criticize the government, would lose no opportunity of saying a good word for their own country and point out, as my hon. friend from North Toronto says, that there are opportunities here for those who are willing to work, opportunities equal to any that are to be found in our sister Dominions.

Mr. hon. friend has quoted some figures regarding the migration of Britishers from British Isles to the several overseas Dominions, and has expressed regret that the number going to Australia, New Zealand and South Africa is far beyond the number of those coming to Canada. But let me point out that the conditions are somewhat different. For instance, in the case of married families going to Australia, two-thirds of the passage is paid, one-third by the government of the United Kingdom, and one-third by the government of Australia, and for domestics going to Australia, the whole fare is paid. Those conditions do not apply to Canada.

Mr. GARLAND (Bow River): What are the conditions here?

Mr. ROBB: We make advances by way of loans, and the money is afterwards refunded?

Mr. GARLAND (Bow River): Did not the British government, under the British Empire Settlement Act advance the total cost of passages for immigrants so far as Canada was concerned?

Mr. ROBB: No.

Mr. GARLAND (Bow River): What was the arrangement?

Mr. ROBB: Under the Empire Settlement Act the government of the United Kingdom advanced £300 for each family under the settlement of 3,000 families, but we make a loan to domestics, and they also make certain loans. In the case of passages to Australia two-thirds of the fare is paid by the governments for married families, and all the fare is paid for domestics. Now, I have in my hands the report of the overseas settlement committee of the British government dated April, 1924, and now what are the conditions as to the British dominions that are getting so many more immigrants than Canada? I am bound to admit that in the press of Great Britain there appears to be conducted a better publicity for the other British dominions than for Canada, but there is this to be said for the other dominions: no matter how much public men may criticize each other in connection with governmental policies every man stands up for his country, and says that his country is the best of the lot and the opportunities that it offers are the best. Now, what are the facts? To British South Africa for that year there was a total immigration from the United Kingdom of 7,568; to New Zealand a total of 11,061; to Australia a total of 38,599. Of the last named total 25,000 had their fares paid. It did not cost them a cent, they got free transportation to Australia. How many came to Canada in that year? A total of 63,016, and only 6,000 of those had assisted passages, the balance of the 58,000 paid their own way. So much for that.

A few moments ago a letter that was published in the press by J. Obed Smith was quoted. Mr. J. Obed Smith said that some man had come to him and stated that he had saved up £100, and wanted to know what he could get with that sum of money for his family. Mr. J. Obed Smith was retired from the department because we discovered that letters were sent down to the office from the north of Scotland and it took sometimes thirty days and two months to get replies to them, because Mr. J. Obed Smith was attending teas. This gentleman is now in the employ of the steamship companies and all he has to do today is to say to any man who may ask him such a question as that referred to "we will take you if you can raise another £50 in addition to the amount you already have." I agree with my hon. friend the member for North Toronto (Mr. Church) regarding the necessity of personal qualifications. Money is not everything, the previous employment of an individual is not everything. There may be men who have been working in a city. There may be men who have been working in a store or in an office. They desire to go on a farm and they are men of good personal character. They are good citizens and will make good citizens in Canada. That

is the very class we want and have been inviting. We invite especially agriculturists and people likely to make a success by settling on the land; but there is no restriction against any Britisher who wants to come to Canada. If he is willing to go out and work, we welcome him; but we do say, and have given instructions to that effect to our agents over there, that there is no room in this country for the man who is a chronic dole taker.

Mr. SUTHERLAND: Why not do something towards getting immigrants on the land when we get them here?

Mr. MANION: The minister has stated that for the year mentioned 63,016 passengers came to Canada and 38,599 went to Australia. Well, I venture to make the assertion that out of the 38,599 that went to Australia a much larger proportion of them will remain in Australia than remained in Canada after they came here.

Mr. JACOBS: Where could those who went to Australia go?

Mr. MANION: That, perhaps, affords a partial explanation; but the difficulty in the case of Canada is to keep the immigrants here after they arrive. I know that in the summer, when I was at home, at different times I was inundated with requests from British born citizens—the very finest type of citizens that a country could have—asking me for certificates of health to permit them to go to the United States.

Mr. HEALY: Was that after your speech on the budget?

Mr. MANION: No, it was not after my speech on the budget. My hon. friend, though, has profited by it. He knows that if he made a speech he would drive them out altogether.

Mr. POWER: They are coming across in thousands now.

Mr. MANION: They are not immigrants, they are only transients.

Mr. JACOBS: They are crossing for irrigation purposes.

Mr. MANION: They do not need to go as far as Windsor for irrigation purposes; they can get irrigation in such sections even as Ottawa I understand. But the point I was trying to make is that we should endeavour, as well as we can, to hold immigrants here when we get them, and I suggest that the government should make greater efforts than in the past to cure the unemployment condition here in order to keep them in the country.

Mr. MURDOCK: Does my hon. friend know—I think this can be verified by the records if we had a little time—that the net increase in population in Australia last year was about 5,000? In other words there was emigration from Australia too which offset the immigration so as to cause a net gain of 5,000. I think I can get the data and figures from my office to prove that statement to my hon. friend.

Mr. MANION: What was the net decrease in Canada?

Mr. MURDOCK: My hon. friends opposite have argued that point to their satisfaction on several occasions, although I think their figures were a little off colour.

Mr. IRVINE: I do not think it will make much difference what any of us has to say on this question of immigration. We have discussed it at some length not only this year but in previous years. I am quite sure that even if I were to offer some advice to the minister he would not take it—

Mr. ROBB: Do not be too sure.

Mr. IRVINE: And if he did take it perhaps it would not solve the immigration problem to his satisfaction. I notice that the government, through the minister, is very anxious to blame every one else but themselves for a result for which they are more responsible than any other person or group of persons in the dominion. I wish to follow the example of the hon. member for York-Sunbury (Mr. Hanson) in repudiating the charge, that I have said anything in this House, or anywhere else against the good name of Canada. I do not think it would make much difference if I did, providing that there were no real grounds for adverse criticism. On the other hand, we are asked by the minister to speak a good word for our country. I think the good things in Canada do not need advertising. That is true of all countries. I think the country about the goodness of which people have to be howling all the time is not a very good country. If we have to stand here and protest our goodness it is unlikely that we shall produce a very great effect on anybody else. Surely the government can distinguish—I am sure the people outside can—between the criticism which we offer against the policy of the government as it affects the economic life of the nation, and criticism of Canada as a nation having regard to the resources of the country and the desirability of this Dominion as a home for immigrants under ordinary cir-

cumstances. There is surely a very wide distinction between those two questions, and I do not think the Minister of Immigration can find one single instance on Hansard or anywhere else where I have even suggested that Canada was not indeed a very great country, a very rich country, and a very excellent country in which to live. We all are aware of the extent of our territory. The actual natural wealth of the country is a subject for poetical eloquence, and I notice often hon gentlemen opposite indulge in it. Certainly we have immeasurable wealth; there is no doubt about that; and there is lots of room We are all aware that if we had a family of five on every half section in western Canada we would, by that very fact, very materially improve all public services and reduce their cost. We know perfectly well that if we could increase the population of Canada by another nine millions next year we would cut in half the per capita debt of the country and by increase in traffic be able to reduce freight rates. These would all be desirable things and would probably result were our population so increased. We are all aware of these things, and we know that Canada can accommodate very many more millions of people than we have in the country at present. These are all common facts and everybody knows them. There is no need to state them, but when we have said all that, it is surely a very serious commentary on the administration that we cannot hold nine million of people and keep them well fed in a country so vast, so rich in resources and so good. That is the commentary and I lay it at the door of the Minister of Immigration and his government. That is the criticism I make.

Mr. HEALY: What is the remedy?

Mr. IRVINE: The remedy, and one which my hon. friend would not like to follow, is partly to secure a new government. I told my hon. friend at the outset that if I offered some advice it would not be accepted. But that is part of the advice I would give now —either a new government or else a good deal more wisdom and initiative in the government we have. So far as that is concerned, I am not particular about throwing out this government or any other government. What I want to see is intelligent action, I do not care which government takes such action. I want to point out that we are not getting the best for the money we are expending on immigration, and in making that comment I want it to be clearly understood again that I am not speaking against immigration under all conditions. I am only speaking against immigration under the specific conditions in which we are placed at the present time. I consider that we are not getting the best for the money we are expending on immigration. The first reason for that is that we no sooner bring these people into the country than they go out. Surely that is not a good investment. Will the minister say that these people went out because the hon. member for Bow River (Mr. Garland) made a speech in this House? Will he say they went out because some other hon. member made a speech in this House? He will not say that. He will say they went out—if he states what he actually knows in his heart—because this administration failed to find work and sustenance for them after bringing them in. That is why they went out. If the problem of finding work for Canadian citizens is beyond the government, let them say so and we will stop criticizing. If it is outside the sphere of politics, make it known to the people of Canada, but if it can reasonably be done by any government why does this government not do it? These people are going out. Why is the government finding it difficult to keep them in Canada? Let us suppose that 10,000 people who went from Canada to the United States last year, wrote 10,000 letters to their friends in Great Britain and said to them, "We came to Canada; we were there for so many weeks, we got nothing to do, funds became short and we moved into the United States. We have now work to perform, and we would advise you, if you are going to cross the Atlantic, to come this way." That is something like the letters which would be written. Does the minister blame the hon. member for Bow River for that? Is that blame not more befitting the government?

Mr. GARLAND (Bow River): The minister has not blamed the hon. member for Bow River this year; he might do so.

Mr. IRVINE: I had an idea that he had it in his mind that that was the man who ought to be blamed.

Mr. ROBB: That is the most unkindest cut of all.

Mr. IRVINE: I do not know of any hon. member who is more fearlessly honest in his portrayal of western life than the hon. member for Bow River.

I would not blame any hon. member in this connection. Hon. members have simply stated the facts in regard to the situation.

The next reason why we are not getting the best for the money is that apparently the

minister is having a difficult task in inducing people from Great Britain to come here, after what they have heard from the people who have gone to the United States. You cannot blame any member of this House or anybody else for that. Does the minister think that hon. members of this House are talking just to hear their voices?—although many of them no doubt like that very much. After about six months we get tired of even that. Those of us who oppose the immigration policy of the government are not so anxious to hear our voices. We really think there is something in what we are saying. I have in my hand, for instance, a poster published by the Unemployed Association of Canada, and this Unemployed Association has sent this all over the British Empire and perhaps, over the entire world for all I know. They state here that they are undertaking to collect certain statistics, and if they secure these statistics and send them out I would not be surprised if nobody came to Canada at all next year. This may be a very unpatriotic thing to do, but they are doing it, and why?

Mr. McBRIDE: Because they are no good.

Mr. IRVINE: The noble Daniel from the western mountains tells us they are no good.

Mr. GARLAND (Bow River): He is the gentleman with the big income tax.

Mr. IRVINE: He has settled the matter. That is very much like what the government does. The government says the people from Great Britain who will not come here at our call are the people we do not want. The people who come here and get tired are people who are no good and do not want to work. Seemingly no people are any good, because we cannot get any of them to come here or to stay.

Mr. JACOBS: I do not want to prick my hon. friend's argument—

Mr. IRVINE: Which one and with what?

Mr. JACOBS: With actual facts.

Mr. IRVINE: Has the hon. member got one fact?

Mr. JACOBS: I want to tell the hon. member that under the laws that exist in the United States no one who comes from Great Britain can go there except under their quota or two per cent law. The only people who are admitted are Canadian born citizens; so that those people who go there are Canadian born and their places are taken by those who come from Europe.

Mr. HANSON: There is an underground railway running strongly all through the country. If my hon. friend doubts me I will have him come down to New Brunswick and I will show him the route.

Mr. IRVINE: I do not think the illuminating argument of the hon. gentleman illuminates anything but the kind of reasoning by which the immigration policy of this country has been fostered. It matters not to me whether it is a Canadian born who goes out or not. Does it improve matters if a Canadian born citizen leaves his bed and home to the incoming immigrant? Taking stock at the finish we find that after spending millions of money, we have just the same or approximately the same population as at the beginning. As many have gone out as have come in. That is not a very profitable policy for us to follow.

But let me just quote this poster to indicate to the Minister of Immigration—I have no doubt he knows it already—that there are some people in this country who are not satisfied, and we may presume at least that they are not altogether lunatics or lazy like my hon. friend from Cariboo insists that they are. They have intelligence and they know what they want. This is what they say:

Manifesto of the Unemployed Workers of Canada re the Press and Immigration

Whereas, in view of the campaign of slander and misrepresentation by the press of the number and position of the workers unable to get employment; which campaign is echoed and supported by many of our public and official men;

And whereas, there are one million unemployed workers in Canada;

Therefore be it resolved that this organization of 900 unemployed workers of the city of Edmonton will, by marking said passages as they appear in the press, and forwarding them to our class-conscious brethren in the old countries from which we came, and by other means do all in our power to prevent immigration to this country, so long as such conditions shall continue to exist;

And further, that a copy of this resolution be sent to the National Council of Unemployed in Toronto, and as many other organizations as possible, requesting action;

And still further, that a correspondence bureau be established between organizations in different parts of Canada, for the purpose of collecting statistics relating to unemployment, assignments, business failures, banking conditions, mortgage foreclosures, tax sales, number of farms abandoned, population statistics, and other vital facts for the benefit of the prospective immigrants and investors;

And further still, that copies of this resolution be forwarded to the press, and public bodies; and that this campaign be not launched unless sympathetic consideration of the problems of the unemployed workers be withheld;

And lastly, that this manifesto be translated into foreign languages and printed.

Mr. ROBB: What is the date of that resolution?

Mr. IRVINE: It bears no date.

Mr. ROBB: I was wondering whether it coincided with the date on which a delegation waited upon Premier Greenfield of Alberta requesting work. He found work for them and only seven or eight would take it, and he told them to get out because there was nothing to keep them in Edmonton if they were not willing to work.

Mr. IRVINE: I am not sure whether the date of this resolution synchronizes with the event to which the minister refers. But in any case the suggestion the minister advances that there is no unemployment is too utterly unreasonable to merit a reply. It is so ridiculous that I refuse to take up the time of the committee discussing it. It is true no doubt that here and there you will find men who, for mental or physical reasons, are unable to work. But that fact does not explain the general unemployment situation. Now, I want to make it clear that this circular is the kind of thing that is preventing the minister's immigration policy from being a success; and the thing to do is not to stop these people from sending resolutions of this sort away but to alter the conditions that make such resolutions necessary. That is where the responsibility falls on the minister and on the government.

I believe that the money which it is proposed to spend this year on immigration could be of far greater service to Canada if it were expended in Nova Scotia. The minister cannot prevent the situation in Nova Scotia from becoming known not only throughout the British Empire but throughout the world at large; nor can the minister blame any individual member of this House for the propaganda which is being broadcast in that connection. That sore has been festering for many years and every member of the House knows the gravity of the situation as it exists to-day. Still nothing is being done. I maintain therefore that if the government would spend this amount or half of it in Nova Scotia to get the industry of that part of the country going and to enable the men to co-operate with their employers in the production of coal and steel, it would be a far better advertisement for this country, in the eyes of people who might be inclined to come here, than sending out some missionary, as the minister says, to Glasgow or London or anywhere else to try to inveigle people into coming here.

I am willing to admit that the economic conditions in Canada to-day are no worse than they are in Great Britain or that obtain in many countries; but granting that does not help the unemployment any. It seems to me rather a shame to allow any family of five poor working people to pay $580 to cross the Atlantic from Glasgow or London when perhaps they have nothing to do when they come here. I should like to know what the initial investment would amount to for a family of five going on the land in Canada. When you take into consideration their fares, the house in which they must live, the price of the land, the price of implements, and provisions for the first year's grub, and what interest is being charged. I do not doubt that these people and their children will be kept busy as long as they live, paying interest to those who lend them the necessary money with which to start. These are the conditions under which immigrants are coming in. I need not weary the committee with a recital of the facts which they already know as well as I do, if not better. In reviewing the situation, looking at our vast natural resources, our plant and equipment, and the capacity for producing wealth, I am reminded of the old superstitious lines of doggerel which declare that "every prospect pleases and only man is vile." I disagree with that as philosophy, but I agree with it as applied to the present administration. I do not mean to suggest of course that the administration is vile in the sense intended in this line; but considering the manner in which it has disregarded its responsibility in this matter the lines are apropos. There are opportunities for the development of our vast natural resources and of building a nation of happy and prosperous citizens, but the government is not taking advantage of these opportunities. I would offer a suggestion to the minister, and I do so only because I believe that he has a spark of genius if only he would allow himself to put it to some use. The very best thing that Canada could do to attract immigrants from any part of the world would be to give full scope to the genius of real statesmanship and to compel a country as rich in resources as this is to yield more than a bare living to nine millions of a population.

Mr. SUTHERLAND: Notwithstanding what the minister (Mr. Robb) has said, I believe there are a good many people in this Dominion who still have confidence that there is a bright future in store for Canada. I know that a great many build those hopes on the great natural resources of our country and

the expectation of a great influx of immigration from other countries to fill up the vacant spaces and utilize the equipment which we have provided at a great cost for a population much larger than that we now have. But I am afraid that the government itself is not very hopeful so far as the near future is concerned. There is no question that the cost of government in this country, federal, provincial, municipal and otherwise, has increased enormously during the past few years, and it is a grievous burden on the people. There is in connection with immigration a duplication, the aggregate result of which ought to show better results if we were getting anything like value for the money expended. I am not sure what policy the government has in mind. At the last session of parliament a committee of the House was appointed to consider the question of old age pensions, and I have almost come to the conclusion, in view of the fact that there is a reduction of $300,000 in this item, that the government intends to adopt a system of old age pensions in Canada as an inducement to people to come here and in this way hold them here. The Canadian Pacific Railway Company last year, according to their financial statement, spent $758,510 on colonization and immigration work. The Canadian National Railways spent $770,454 for the same purpose. In fact, this other branch of government increased its expenditure by nearly $400,000 over the previous year. Some of the provincial governments are also doing a great deal of work along this line. There must be something absolutely and radically wrong or better results would follow. The fault does not rest with the country, notwithstanding the criticism of the minister. I do not think there is anyone who will not stand up and stoutly maintain that Canada possesses natural resources unequalled, or at least unsurpassed, by any other country in the world.

Mr. ROBB: Hear, hear.

Mr. SUTHERLAND: I do not think the sun shines upon a country that offers greater natural inducements for the willing worker than does this Dominion. But with all our great natural advantages we are labouring under certain artificial handicaps that must be removed before we will have a satisfactory condition of affairs. The minister referred to the efforts put forth to induce immigrants to go on the land and to keep them there. Why all this anxiety about confining them to the land? It would be much better to have these people employed in our own cities than to have them employed in the industrial centres in foreign countries manufacturing goods for our consumption and use. It is well known that the great exodus from our rural districts is chiefly into our towns and cities. And it is quite natural that the people should go where they find the best opportunities. You may talk until you are blind, but you cannot convince those who know better than you do that they are making a mistake. They know what they are doing. Our people are intelligent, and there is no use preaching the doctrine, "Oh, you are foolish, you will do much better on the land than you will in the urban centres." That doctrine has been preached so long that it is now threadbare. I repeat, there is something radically wrong, or conditions such as we now have would not prevail.

Reference has been made to emigration to Australia. Australia is in a different position to Canada. They are not living alongside the most energetic and progressive nation in the world, a nation that has adopted a fiscal policy which is bound to have a tremendous influence upon the course this Dominion is compelled to take. We cannot escape that influence if we wished to, and we might much better realize that now and deal with an imperative necessity as at any other time. In the main our fiscal policy will always be dictated by that of our great neighbours to the south of us. We know full well that many of the best of our people have crossed the line during the past few years, and are now residents of the United States. The greatest loss we have sustained since the Great war has been this exodus of native-born Canadians to the United States.

I admit that it is necessary to establish proper safeguards against the entry of an undesirable class of people, people who congregate in our big cities and who neither know how to work, nor intend to do honest labour. We have altogether too many of that class at present. But a reduction of $300,000 in these estimates is rather significant in view of the fact that it is so seldom that we find a reduction of any consequence in any of the other estimates. Why have not the government applied the pruning knife to a lot of this deadwood that might well be cut out? For two at least of the items that were passed a few minutes ago the minister stated he did not believe there was any justification; yet they were passed.

Mr. ROBB: But my hon. friend will at least give me credit for having reduced the estimates of the Department of Finance by $70,000?

Mr. SUTHERLAND: On the whole the reductions made are very slight, and I think by the time the supplementary estimates are brought down it will be found that those reductions have been more than offset. Now, we have a system that to my mind is rather disturbing; that is, we have a privileged class which is continually increasing in number. I refer to those engaged in the civil service of this country. I do not intend to cast the slightest reflection upon the ability of those people, because if there is any class in the Dominion which has my heartfelt sympathy it is the civil service. Many young people entertain the idea that if they can only become attached to the civil service they are going to be happy for the rest of their days, and immediately they succeed they find that their initiative is destroyed, there is but little opportunity for expansion, or development, and finally they become reconciled to the situation and say, "Oh, well, what's the use? We may just as well drift along with the crowd." The hours of labour for the civil service have been fixed within certain limits; the rate of wages has also been fixed. Since the Canadian National Railways came under this category there has been an enormous addition to the civil service. An increase of over 100,000 with this result. If you are living in the country and wish to do some business in shipping on a Saturday afternoon, you will find after one o'clock that the freight office is locked up and the agents and clerks are having a holiday while you may be desirous of shipping stock; it may be as is the custom—so it will be on the market early the following week. The fixation of the hours of labour and wages is only one of the difficulties with which we are confronted, difficulties that are having a depressing influence on agriculture. How can our farmers compete with other countries when they are so handicapped? And yet they have to compete against the surplus of the world in the home market. We hear the Minister of Labour (Mr. Murdock) and others say, "Oh, we must keep up the rate of wages to the high standard at which it has been for a long time." Yet we are expected to compete with other countries where the scale of wages is very low indeed. This naturally necessitates our having some protection against outside competition, and it is the absence of adequate protection under which our manufacturers are labouring at the present time.

But this handicap is not confined to the manufacturers only. To my mind those engaged in agriculture are suffering just as much on this account as any other class. Consequently when the Minister of Immigration (Mr. Robb) states that his government are endeavouring to induce immigrants to go on the land, let me point out that the government ought to do something to enable those people to continue on the land after they settle there. It is only a few days ago in connection with the dumping clause in the tariff that the minister pointed out that, about a year ago, owing to a surplus of butter in the New York market the price dropped very low, and they dumped thirty or forty carloads of that surplus on the Montreal market, with the result that the price immediately went up again in the United States. But did he point out the effect that had on the market in this Dominion? No, he stopped there. To make the story complete, he should have pointed out the depressing influence the export of that surplus from a country with a high protective tariff had on the Canadian market. In order that the price in the United States should be maintained it was disposed of in this country. That is a fair example of a practice which is doing more to injure this Dominion to-day than anything else that can be mentioned. The United States is a highly protected country. They endeavour to maintain and so regulate their markets as to afford a profitable price; if they have a surplus of any kind they get rid of it somewhere, and apparently the easiest way to get rid of it is to ship it to Canada. They are continually doing that; it has been going on for years. Let me give some figures with regard to our imports of some commodities grown on the farm during the years 1920 to 1924 inclusive. In pork products alone during those years we imported 293,292,716 pounds, largely from the United States.

Mr. JACOBS: I rise to a point of order—not because the hon. gentleman is giving the committee pork figures, but because his remarks are out of order on the immigration estimates.

The CHAIRMAN: I think the hon. member is discussing the question from the point of view of the agriculturist and is giving reasons why he thinks there is no need for more agriculturists in this country. At least I think that is what he is trying to bring out.

Mr. SUTHERLAND: I was endeavouring to show the folly of bringing people here and allowing imports to come in under such unfair conditions as to prevent them from making the livelihood that they can make in other countries where such practices are not permitted.

The CHAIRMAN: Of course that does not entitle the hon. member to make a tariff speech. He may—as I think he is trying to do—draw an inference by reference to these facts to show that immigration of a certain class should not be encouraged.

Mr. SUTHERLAND: I was endeavouring to show the unfair competition with which these people are confronted after they come here, and to emphasize the fact that no effort is being made by this government to see that they are in a position to enable them to conduct their business in such a way that they can carry on profitably.

Mr. ROBB: The hon. member desires that there shall be work for all, not only on the farms, but in the towns. Is it not a fact that the pork to which he refers was imported to give work to the bacon factories, and that the bacon manufactured from it was exported?

Mr. SUTHERLAND: Not at all. Of these pork products 48,832,000 pounds was lard, and that could hardly have been imported for manufacture and subsequent export. But since the grading of hogs has come into effect in this country there is apparently no lard in a Canadian hog, so they have to bring it in from the United States, and the tariff is so low that that is the source of supply at the present time. But we are also at the same time large exporters of pork products; we exported 666,769,000 pounds, which shows that we are in a position not only to produce enough for home consumption, but to export a large quantity in addition. That being so why not give the Canadian market to the Canadian farmer. The minister two or three years ago went over to Australia to negotiate a treaty with that country, and as a result of his efforts, and the efforts, I presume, of those who succeeded him, a treaty was arranged a year ago. Was any attempt made to safeguard in that treaty the interests of those engaged in agriculture? On the contrary, on fourteen out of sixteen different points, agriculture suffered. It is true the treaty has not been presented to parliament, but the treaty was made and signed and announced by the government of Australia subject to ratification by the parliament of Canada. We exported 71,000,000 pounds of butter during that five-year period and we imported 15,000,000 pounds. I suppose in the main to relieve some protected country the consignment the minister referred to came in in that way; the great bulk of the butter which is imported into this country comes in under those conditions. The same is true with regard to eggs; and by the way, under the Australian treaty the tariff on eggs is reduced to one cent per dozen.

Mr. JACOBS: I must again rise to a point of order, and I hope you will agree with me this time, Mr. Chairman.

The CHAIRMAN: No, I think the argument of the hon. member is along the same line as he was pursuing before. As I understand it, he contends that depression in agriculture is caused by certain conditions which could be corrected, and that is the ground for his argument that no more agriculturists should be admitted.

Mr. SUTHERLAND: I would not be surprised at my hon. friend objecting to the pork industry being referred to, but when it comes to eggs, surely he should not object.

Mr. JACOBS: They are closely associated with ham.

Mr. SUTHERLAND: Our imports of eggs were 35,788,000 dozen and our exports were 23,453,955 dozen. You can understand the demoralizing effect of a surplus of eggs and apples coming into this country from the United States, you can understand what the dumping of these commodities into Canada at certain periods of the year means to our people. I suppose the minister would object to the word "dumping" in that case because they do not come under the Dumping Act. Well, it may be legitimate business but it is not allowed in the United States, but the point is the demoralizing effect on this particular industry. Our seasons are from two to six weeks later than in the United States, and we have long, severe winters here which entail excessive cost in the production of butter and cheese as compared with the cost of production in countries like Australia and New Zealand where the cattle run out the year around. But the government say, "Our policy is to reduce the cost of living; we must keep the price of everything down below what it is in some other countries and our working people will get the benefit." This is the encouragement which the minister is offering to agriculturists to come to this country, the inducement he is offering to those who are on the land to stay there. Keep down the cost of living; keep wages up at the peak; put as many in the civil service as you can, establish a short day, ensure them a livelihood, and provide and old age pension for everybody who will not work. What a policy for a government to adopt in this age. Why not combine about three of the present departments of govern-

ment into one, reduce the staff, and start on a business basis? It would be much more satisfactory than the present system.

But there are even worse features than that. There is a slight protective tariff on the articles I have mentioned, but the effect of the tariff on agricultural products is this: The present tariff was fixed in many instances many years ago, a specific low tariff of so much per pound, instead of an ad valorem tariff and if the price goes up the tariff goes down. You can understand what the effect of that is. With a specific tariff on agricultural products, it works out as follows: If eggs, for instance, were selling at 25 cents a dozen, a tariff of 3 cents per dozen would be 12 per cent; if the price goes up to 50 cents a dozen, the tariff is reduced by one-half as a result, or to 6 per cent.

Now let us take other commodities grown on the farm, for instance, wool. We imported during that same period 71,212,000 pounds of raw wool, and we exported 32,089,000 pounds. And yet we have the Minister of Agriculture with a staff of employees going up and down this country, at a cost of $866,000 a year for travelling expenses alone, advising the farmers of this country what they should do, telling them that they ought to be going into sheep raising and producing wool. Why not give the farmers a chance? Then they will produce all the wool and all the mutton the people of this country require and plenty for export. Just give them a decent fair chance, and see what they can do.

When wool went up a few years ago, the number of sheep in this country went up to nearly three times what it is to-day. There is no animal on the farm which will do more to put agriculture in this country on a sound basis again than sheep if this industry is given encouragement. We hear protests from every quarter about the spread of noxious weeds in this country. Give the sheep industry a fair show and you will soon find that sheep will do much more to eradicate noxious weeds than anything else we can do in this country.

Let the government do something to encourage rather than discourage the farmer. Give people a fair chance when they do go on the farm. How can we expect to prosper when the United States have a tariff of 30 cents per pound on raw wool, and we have comparatively no tariff at all in this country on wool? How can we expect this industry to prosper when you find the woollen mills of this country refusing to use Canadian wool because they say they can get a better quality of wool from Australia and South America? That is what is going on here. The Australian wool is not any better for many purposes, but it enables the manufacturers to mix cotton with it much more satisfactorily without detection than they can do with our own Canadian wool. If the government want the immigrants to go on the farm, give them some inducement to go on the farm. There is no use bringing them out here and saying we will not allow them to go into the cities and stay there. If you want them to go on the land and stay there just remove some of the restrictions which have been placed on agriculture, and some of them have been placed on agriculture during the present session by this government. Why, Mr. Chairman, the people who cleared the land and settled this country demonstrated years ago that they were competent and able to carry on agriculture successfully, and now we have this army of government officials going up and down this country aggravating the farmers, restricting them in their business and exercising an irritating influence that is most depressing, discouraging and humiliating. But when it comes to the time when the product of the farm reaches the factory, these officials lose all control and interest over it.

Take your hog graders, for instance. They are very careful to grade a hog for the packing company, but do they grade the meat in the packing company? Does the Department of Agriculture exercise any check whatever over that? How does it correspond with the grading of live hogs? Notwithstanding the fact that we have these thousands of officials established in all places all over this land, and costing over $800,000 a year for travelling expenses alone, their effect is in the main to discourage rather than encourage the farmer. Just leave the farmers alone for a while. Take off your restrictions, and give them a chance, with the same degree of protection as the American farmer enjoys, and see what they can do. You are not making a success of it as it is. Then why continue along this line with this irritating, pin-pricking, practice which is in effect in this country? Is it to be wondered at that young men growing up on the farm will not stay there under those conditions? They realize that farming is the only industry in this Dominion that has to submit to such humiliating treatment. The department is continually making new restrictions. The latest nuisance is that of the egg graders. Many people have become so disgusted with all these restrictions that they say: Well, there is one thing the government cannot do; they cannot force us

to keep the hens to lay the eggs if we do not wish to. The government can penalize people as much as they like, but that is one thing they cannot do without open rebellion. They cannot force those people to remain on the farm under those conditions; so far it has been desertion not rebellion. The minister even brought out a patent balanced hen ration last session that was going to revolutionize the trade.

I have already mentioned wool. We also produce a considerable quantity of hides. We exported 19,842,000 pounds of sheep and lamb skins in that period, and we imported 12,304,000 pounds. Of cattle hides we imported 138,818,000 pounds, and we exported 183,974,000 pounds. Why all this unnecessary transportation cost, sending ours out of the country to find a market, and bringing others in? Why should it be necessary for the farmers of the Dominion of Canada to have to find a market for 183,974,000 pounds of their cattle hides abroad?—ask yourselves the question. I heard evidence not very long ago before a committee of this House in which it was pointed out that low ocean rates could be secured on hides brought into this country. Why not put a tariff on these hides that will protect the farmers of this country, as other branches of industries are protected or desire to be protected? Why not place a tariff there so we will be sure that our own hides have a preference in our own market, instead of having to pay the transportation costs on our hides exported to a foreign country, and bring foreign hides in here? Good common sense would actuate any government to settle this question in a few minutes.

In the same period we imported 19,128,595 pounds of mutton and lamb, and we exported 25,769,000 pounds. Just imagine, with a surplus of 25,000,000 pounds of mutton and lamb for export, we allow 19,000,000 pounds to come into this country! Now the government have arranged a treaty with Australia, which will reduce the present tariff on mutton to one cent a pound, should it come into effect. That is the kind of encouragement this government proposes to give agriculture. That is the immigration policy that is being adopted by the present government. Why not cut out the whole staff of your Immigration department, and turn the whole thing over to the provincial governments, and allow them to look after immigration?

That is what Ontario has been doing for years. The government of that province do not depend on the department here to look after the matter of immigration at all. They know that they have been discriminated against, and they have their own immigration officials. Why not cut out a lot of this duplication? Only two years ago we were told that the government had a great scheme for extending immigration. The Minister of the Interior then pointed out that they hoped to bring in immigrants by the hundreds of thousands, and the sum of $200,000 was given to what was known as the Canada Colonization Company as a starter towards bringing in immigrants. I am surprised that the minister did not refer to that matter in his speech to-night, and tell the House how many settlers were brought in through the instrumentality of that company—less than one hundred, I believe. The Empire Settlement League are getting a substantial grant in connection with immigration; but I am not in favour of increasing this vote under present conditions because I think it absolutely folly to do so.

Mr. ROBB: We are not increasing the vote, we are decreasing it.

Mr. SUTHERLAND: I am not in favour of increasing it under present conditions, as was argued by the hon. member for North Toronto (Mr. Church). People are finding fault with this country but the country is all right. It is the government we have in this country to-day that is all wrong.

An hon. MEMBER: Tell that to someone else.

Mr. SUTHERLAND: I have said this before. I have criticized not only this government but previous governments for their shortcomings in many respects.

Mr. ROBB: I recall that.

Mr. SUTHERLAND: But we were never in such desperate straits as we are to-day having to meet a burden in connection with our national debt which is increasing at the rate of something like $100,000,000 per year. There is only one place for us to end up if this continues. If it was a private individual he would be in the hands of the sheriff; but I do not know who would make foreclosure in the case of a government that is pursuing such a reckless policy as this one is. We cannot go on as we are going—that is absolutely certain. It may be that we will require a Mussolini, or some dictator, to take control of matters and put them on a business basis; but just as sure as the sun rises in the morning, this policy cannot continue without absolute ruin overtaking us. We are going behind at the rate of $100,000,000 per year without any serious

attempt being made by the government to meet this condition and to curtail expenses. On the contrary there is a most lavish expenditure going on in the various departments of the government which should not be allowed.

Mr. McBRIDE: When the hon. member who has just resumed his seat was speaking, I could not help thinking of an old saying that "so long as a boiler can blow off steam it is safe". But a boiler blowing off steam never does any good; it just makes a noise and nobody pays any heed to it. The hon. member for East Calgary (Mr. Irvine) made a remark —I do not know that it is worth taking notice of considering the personality of the gentleman who uttered it—that I was rather lazy in doing my work in the House. I think there is not another hon. member in this House, outside of that hon. gentleman, who would have so little regard for himself as to make a statement of that kind. I have been a member for four years and during those four sessions there have only been five occasions when I have not been in my seat either in the afternoon or in the evening, when the House was opened. I think that is at least an indication that I am attending to my duties and looking after the interests of the people who sent me here.

A great deal has been said about people leaving Canada, but I do not intend to take up much of the time of the House in dealing with this matter. When I pick up a newspaper and read such things and then listen to what is said here, it sets me thinking. The other day I came across a copy of the Vernon News. It has been a Tory paper ever since it was started, and therefore I think we can rely upon what it says. A certain man who had spent six months in California, upon returning to Canada made this statement:

> The lure of the south should be forgotten for it is largely a myth.

He stated that while it is true that wages are fairly high in the country to the south, it is equally true that the cost of living is high also. Many workmen are out of employment, indeed many are in destitute circumstances; and then he advises people who are inclined to go to the south to think seriously before taking that step, and he winds up by saying "Canada is far ahead of California". I turn to another paper and I read that "in Philadelphia last year there were 155 murders and 176 people committed suicide. Is that an indication of prosperity in the States?

Mr. NEILL: It would suggest that the undertakers were prosperous!

[Mr. Sutherland.]

Mr. McBRIDE: That may be. Then I turn to what President Coolidge says. He states that there is eight times as much crime in the United States to-day as there is in Great Britain. And yet we hear a lot about the number of people who are out of employment in the Mother Country. Surely we should pay some attention to what the press of the United States says. Then I turn to another paper—a good Conservative paper too—and it speaks of two spinning mills being started in Vancouver that are going to employ 150 people. I read in the same paper that in the month of May in Vancouver there were 670 permits taken out to build houses at a valuation of $2,929,385. Does that look as if this country is going to ruin? If it does why should they build these houses.

Mr. CASGRAIN: It is the same in Montreal.

Mr. McBRIDE: Then I read in the Financial Times that this country is entering upon a wave of prosperity that it has not experienced for years, and I think that that statement is correct. Bearing these facts in mind why should the time of this House be taken up day after day, and week after week, in trying to hold Canada up to ridicule, and to condemn the members of the government and the country for political reasons. That is why this propaganda is being carried on and for no other purposes. Is that why we are sent down here and paid salaries for? Is that what the people of Canada want us to consume the time of the House with? If it is, I do not want to come back.

Mr. SUTHERLAND: You had better speak for yourself.

Mr. KENNEDY (Edmonton): I should like to have a statement from the minister regarding the colonization associations which are getting or likely to get grants this year.

Mr. ROBB: There is a grant to the Salvation Army of $25,000, and to the Scottish Emigration Aid Society of $5,000, and under the heading "unforeseen" an amount of $5,000 making a total of $35,000.

Mr. MANION: What is being done for these immigrants on their arrival in the country to endeavour to direct them in the right way towards getting on the land either in the western prairie provinces, in northern Ontario—for example—or in Quebec, or in the Maritime provinces? What efforts are being made by the department to look after them after their arrival in this country?

Mr. ROBB: There is pretty complete direction work carried on now from all parts of Canada, not only by the officers of the department, but outside of them. There are throughout this country interested people in different communities who do everything they can to help the newcomer to get settled. There is excellent cooperation between the department and the citizens already in the country.

Mr. HOEY: Do the officers of the Soldiers Settlement Board help in any way?

Mr. ROBB: Yes, they help very materially.

Mr. MANION: I think one of the troubles has been, not only at the present time but in the past—and I am not particularly offering any criticism of this government in regard ot it, but of all governments—that there has been too much tendency when immigrants came to this country to give them no attention after they got here, but simply to let them look out for themselves, so to speak. I think that in the future we should all, whatever government is in power, make a greater endeavour than in the past to give proper attention to people who are coming here, from foreign lands particularly, but even to people coming from the British Isles. These people are coming to a new country, and it is difficult for them to acclimatize themselves, if they are absolutely neglected by the government. I remember well a letter written some years ago by a good Liberal friend of the present government, Mr. John King—

Mr. ROBB: I know him very well.

Mr. MANION: The minister remembers him. He is a very estimable gentleman.

Mr. ROBB: Indeed he is.

Mr. MANION: He wrote a letter to the Quebec Telegraph in which he suggested a method of looking after the immigrants after their arrival along the lines of lending them small amounts of money to be paid back gradually. After they had cleared a certain number of acres of land they were to be loaned a small amount, and after they had cleared a further quantity of land they were to be loaned a further amount. I do not remember the details but the principle was that some assistance was to be given them by the government of the day to look after them after their arrival in this country. I am not advocating the details of the scheme as proposed by him—in fact I do not remember them well enough—but I believe the principle is right, that we should give greater attention to these people and not depend so much as we have in the past upon voluntary organizations to look after strangers coming to our shores. Indeed, I think it is altogether likely that if in the past we had given more attention to the people on their arrival in Canada we would have held more than we have been able to hold. I think the government should give serious consideration to the question of having their immigrants looked after in that regard, and possibly also in the way advocated by Mr. John King in this country. The minister is familiar with his proposition as he is nodding his head.

11 p.m.

Mr. ROBB: I am glad my hon. friend approves of that idea, because the department now is taking every care to welcome the settler, and as far as possible to follow him up and see that he is properly settled. With reference to the policy advocated by Mr. John King of loaning money, and so forth is concerned, I am not prepared to endorse that.

Mr. MANION: I do not believe there is enough effort made—and I have mentioned this in the House before—to settle the bush lands of this country. We have an immense country practically uninhabited between North Bay and the Manitoba boundary. We have a territory 700 miles in length and wide enough to make an area of 300,000 square miles; in fact, large enough to make an area equal to the German Empire and the British Isles combined which have over a hundred million people between them and yet in northern Ontario we have but a population of 150,000. We have some of the finest agricultural land in the world in that district. There are those sections which have been settled, where the people have cut their homes out of the bush, and they have as fine farms as you will find in any section of Ontario or Quebec. I believe the government should do more to encourage immigration to these districts. It has been the policy not only of the government, because they handle the lands in the prairie provinces, but it has been the policy of the different railways, to encourage immigration rather to the prairie provinces, for the reason, from the railway standpoint, that they get a longer haul. It gives them more freight to carry. But for the purpose of bringing freight to the railway, for the purpose of filling in that gap where there is not sufficient traffic for the railway. I think a greater effort should be made by this government, or any other government handling the immigration affairs of the country, to get a type of immigration, as there is a type of immigrant in Europe, anxious to come to bush lands and clear them

Mr. POWER: Where will we get that type of man?

Mr. MANION: We have I believe in Europe certain classes who wish to come to that class of land. For example I am told that some of the northern European people, the Finlanders, are people who wish to go on bush lands and cut their homes out of bush lands. We have many Finlanders in my section of the country who make very excellent settlers, providing they are not that extreme kind of Finlander who are a little inclined to be socialistically red and carry it to the extent of red socialism. But there is a type of Finlander than whom there is no better citizen, and quite a lot of them are up in that section of the country. We have a few of them who go to extremes, but after all I do not know that the Finlanders are in a class by themselves in that regard. Of course since my hon. friend asks that question, we have right here in Canada—I am not speaking of immigration in this case—a class of people who prefer bush lands to any other, coming from the province to which my hon. friend belongs, the good old province of Quebec. When they leave their own province of Quebec they prefer to go to a section where there is bush land rather than to go to a prairie section. That is my understanding and I think I am correct in that. There are other classes of European people who prefer bush lands though I cannot name them. I have read of them. Perhaps it is the Norwegians.

Mr. GRAHAM: The Poles?

Mr. MANION: I cannot answer that, I do not know, but there are some other people in Europe who prefer bush lands, and we should make a greater effort to get more of the people to settle on those lands, especially in Ontario and Quebec and the eastern provinces, rather than to get people to settle in the prairie provinces.

Mr. GARLAND (Bow River): What is the process followed once an immigrant is landed on Canadian shores?

Mr. ROBB: What type of immigrant does the hon. member refer to—the agriculturist? Generally speaking, the effort has been along the lines advocated by the hon. member for Fort William and Rainy River as far as possible, to have them go to the east, in the belief that they will drift westwards. Perhaps the boys will go west. But, when they start out with the idea in their minds that they want to go to Alberta, you cannot make them remain in the east.

[Mr. Manion.]

Mr. GARLAND (Bow River): Does the department assure them that they will have work?

Mr. ROBB: We do not allow them to come unless we have an assurance that there is going to be work for them.

Mr. GARLAND (Bow River): Does the minister say that fifty per cent of the farm labourers who came to Canada had jobs provided for them before they came?

Mr. ROBB: I think there was an understanding that they would get work. I think we had an understanding with the transportation companies who asked for permits for certain numbers. If we had a guarantee that they would get work we gave them permits. Sometimes the companies and sometimes individuals asked for these immigrants. Sometimes we are found fault with for following up and refusing permits, but we discovered that there had been a system of trafficking in permits, and that is why we are careful to follow them up and see that there is no trafficking in the permits, and that the permits are genuine.

Mr. GARLAND (Bow River): I am glad the minister has not committed himself further than saying, "I think so"; because I have a distinct recollection of many incidents that have come to my attention of immigrants who have come in during recent years who have not been provided with jobs and who were unable to get them.

Mr. ROBB: We do not guarantee jobs.

Mr. GARLAND (Bow River): I have a statement in my hand, and I am going to quote this to the minister after his extraordinary outburst this afternoon against those who would say things that were true about Canada, but which according to him should not be said. I cannot understand that attitude of mind. Here we find this statement:

London, March 9.—In the House of Commons tonight, L. C. Amery, secretary for the colonies, assured Sir C. Kinloch-Cooke, Conservative for East Cardiff, that the Canadian government had guaranteed employment to all persons emigrating to the Dominion under the Empire Settlement Act.

Is that true or not?

Mr. ROBB: I do not know whether my hon. friend is quoting from the British Hansard; I have not seen that statement. I think however he will find that the statement he has quoted has reference to the 3,000 British family scheme.

Mr. SUTHERLAND: This is a large item and one would naturally expect the minister to outline the policy which the department intends to pursue. The sum of $1,350,000 is a good deal to be disposed of by order in council. This is a comparatively new idea; I think it was first adopted in relation to the $200,000 estimate for the Canada colonization scheme. What associations does the minister intend to have orders in council passed for the purpose of handing over this money to? If the minister does not indicate the policy he intends to adopt I do not think we are justified in voting this money to be expended by order in council. Some people have the idea that the government still have something in the back of their heads which they have not yet given to parliament. One of their officials in Toronto, I noticed in the Globe of yesterday morning, outlined the policy which it is said the government will pursue and pursue to the end. It is not permissible to refer to statements that have been made in committee of this House and so I shall not transgress the rules in that regard; but there are certain things I should like to quote if I were at liberty to do so. Some years ago about $400,000 was paid out by the government of that time to some company for the purpose of bringing people to this country and we never found out who constituted that company until some of the evidence which was submitted to a committee of the House gave a clear idea as to where a great deal of the money went. Is it the government's intention to hand over this money to some colonization concern such as the North Atlantic Trading Company to handle the business? The government has admitted its inability to deal with it and is now asking us to vote $1,350,000 to be disposed of by order in council in some way. Surely we are entitled to know how the money is to be spent.

Mr. ROBB: The only grants we are making are $25,000 to the Salvation Army, $5,000 to the Scottish Immigration Aid Society, and $5,000 for unforeseen expenses, or a total of $35,000. If my hon. friend is referring to vote No. 63 the figure he has given is wrong; the amount is $1,210,000.

Mr. GARLAND (Bow River): The minister a moment ago said that if I had looked up the British Hansard I should have found that Colonel Amery, in the statement which I quoted a short while ago, was referring to the British Empire settlement scheme. That may be true, but the fact is that the statement, bald as it is, was scattered throughout the British Isles and undoubtedly misled hundreds of prospective emigrants. I hold in my hand another document, a letter published by the Canadian Chamber of Commerce in London, the deliberate purpose of which was to offset the misleading and "vindictive effort", as it is put, to discourage British immigration to Canada. I will quote a part of this letter.

> Recognising the fact that her duty towards the settler does not terminate when he lands on her shores, the Dominion government has made the most careful and complete arrangements for giving new arrivals something much more than a chance to succeed in their new surroundings.

What are these wonderful opportunities?

> The men are given the opportunity for training under competent supervision.

Where are these training schools and where is the competent supervision? They are—

> Safe-guarded in regard to the purchase of farms and stock, loans are being advanced under the most advantageous terms, and yet something that looks exceedingly like an organized campaign is being waged at the present time against emigration to the Dominion.
>
> These hostile letters and articles almost invariably refer to conditions in the urban centres. That there is unemployment in Canadian cities and towns is admitted, and is a regrettable fact. It is one that has to be faced every winter, just as it has to be in every town and city in the British Islands, but the Canadian government has never encouraged emigration to its centres of population. Its whole effort has been to secure men and women for the land and to keep them from the congested centres. It is nowhere contended that there is unemployment on the farms, and any man willing and physically able to work can obtain employment there.

I may tell the minister that the whole statement is grossly misleading. The last part of it is partly true, and only dangerously so. We can provide employment for a large number of men on the farms in western Canada, but only during a short season, and the rest of the time they must shift for themselves. I have still another document, some of the immigration propaganda of this government. I am informed that it is distributed at the Wembley exhibition. In red and black letters the title appears, "Canada the New Homeland"; and on the very first page there is the following sentence, indicative of the psychology of the men who write this sort of stuff:

> Canada is situated mainly in the north temperate zone, in the latitudes in which the people of the United Kingdom have been born and brought up.

This is absolutely true, every word of it; but it does not give the unfortunate man who reads it any conception of our climatic conditions. It does not say that we are in the same latitude as a part of Siberia. Now, the weather here has not hurt any of us; certainly it is not hurting me, for I rather enjoy it.

Mr. ROBB: My hon. friend is just as well off as he was before he came to Canada.

Mr. GARLAND (Bow River): Yes; but why not tell the truth? Why mislead people? This document goes on to say:

It is a land of homes—the "New Homeland" of the British people—a land where all who are intelligent and industrious may reasonably expect success.

If that is not a gross misstatement of the facts, what is it?

Some hon. MEMBERS: No.

Mr. GARLAND (Bow River): Do hon. members sitting on the government side, for political reasons, mean to say that the unfortunate farmers of the west are not industrious or intelligent? Yet after struggling for fifteen years they find themselves under the necessity of asking for amendments to the bankruptcy law.

Mr. JACOBS: They are not any worse off than the farmers in any other part of the world.

Mr. GARLAND (Bow River): That is not the point. The point is that these statements are a deliberate misrepresentation on the part of this government of the conditions that exist. And I could go further and quote other statements. These statements are made in government propaganda in spite of what is said by the agents of this government itself. I hold in my hand the report of Dr. Tory on agricultural credit, which is worth reading by any hon. member. He cites there exactly what I have believed and stated in this House for many years. This is what he says:

Much is being said to-day about keeping young men on the farm, retaining them on the land in our own country. The truth is that except for the men of the hardy pioneering type, who are able and willing to venture on the virgin soil of the northern areas in Canada, it is almost impossible for men of limited means to get established as farmers.

That is the government's own agent speaking.

A certain number of course inherit from their fathers, but for the great majority of the young men of this generation it costs more to get established as farmers, in both money and energy, in any of the older settled parts of Canada than to enter upon either industrial or professional careers. Without question eastern Canada to-day is losing some of her best rural human stock, sons and daughters of those who pioneered and made this country what it is, people who brought to the country those simple arts of life which helped them to establish their families and their small communities as social units, because they do not see how they can under present conditions establish themselves in a reasonable time in anything like reasonable comfort.

These are the sons and daughters of our Canadian farmers, not the unacclimatized, inexperienced immigrant labouring under the greatest difficulties. He continues:

It can be stated without fear of successful contradiction that it is not all the lure of the city and the pleasures of town life that attract our young Canadians to the cities and towns. It is, at least in part, because the occupations offered seem to give a more immediate hope of reasonable prosperity.

It is very easy for those living in comparative affluence, like my hon. friend from Cariboo (Mr. McBride), to say that young men should do as their fathers did. The truth is their fathers had no alternative offered of the kind offered by the centres of industry to-day:

What has just been stated applies not only to eastern Canada but to western Canada as well. Land within easy reach of transportation must be paid for some way and it costs money and energy to secure it. To put the above aspect of the matter on no higher basis than that of personal advantage it is in the interest of every business organization, industrial establishment and financial corporation in this country, that a way should be found to offer young people of Canada such a reasonable chance of success in this country that they will desire to establish themselves as farmers.

There is what Dr. Tory says after an investigation made no later than last year. His statement directly and deliberately refutes the propaganda of this government, but the programme continues.

Mr. POWER: Will my hon. friend read that statement and the pamphlet again? I cannot follow his argument. It seems to me Dr. Tory simply says what the pamphlet says.

Mr. GARLAND (Bow River): Of course, you cannot convince a man against his will, and I am not going to try. I have not the time, for I have a lot to say.

Mr. POWER: You always have.

Mr. GARLAND (Bow River): Yes, I have, and I hope that I always try to tell the actual facts. My whole endeavour, Mr. Chairman, ever since I have come to this House has been to try to bring home to this government a realization of the conditions that exist, in the hope that they will take immediate steps to remedy them. I am not one of those who blame the government for the actual conditions that exist. I do not. I will tell the House in a few moments upon whom I blame the conditions that exist in western Canada, and it is not wholly upon the government sitting opposite; my hon. friends to my right must take a very considerable share of responsibility in the matter. But before I conclude this little episode with regard to propaganda, I wish to call the minister's attention to the published state-

ment of Mrs. Harrison Bell, a lady who accompanied Miss Margaret Bondfield in her investigational tour of this country last year, chiefly regarding the condition of juvenile immigrants in the Dominion. Last year Mrs. Bell was speaking in the city of Calgary, and is reported as follows in the Calgary Albertan:

The use of large, vivid, coloured posters, picturing farms in western Canada as a housewives' delight—

Some hon. MEMBERS: Oh, oh.

Mr. GARLAND (Bow River): Mr. Chairman, if those hon. members would listen to me I think possibly they would not continue their ridicule.

The CHAIRMAN (Mr. Fortier): Order.

Mr. GARLAND (Bow River): Mr. Chairman, the quotation from the Calgary Albertan of Mrs. Harrison Bell's speech in the city of Calgary, is as follows:

The use of large, vivid, coloured posters, picturing farms in western Canada as a housewives' delight, complete with electric washing machines, electric irons and vacuum cleaners, electric milkers, butter makers, etc., as an incentive to prospective immigrants, was strongly attacked by Mrs. Harrison Bell, colleague of Miss Margaret Bondfield, and a member of the Overseas Settlement League, now on an inspection tour of Canada, when she addressed a public meeting on immigration problems at the Grand theatre last night.

She goes on to say:

Back home in Great Britain they think that all that is necessary on the farms (in Canada) is to turn a switch, and electricity does the rest, and I confess that I was extremely disappointed when I found out in my investigations this year that this is not so. Why, in some of the farming districts I have visited I found they were still living as in primitive days, and that they were compelled to make their own yeast before they could make a batch of bread.

Mr. MARLER: Do such posters actually exist?

Mr. GARLAND (Bow River): Let me describe one. I have seen them myself even as far back as my own days. We have a highly coloured picture of large size, usually outside some great railway station in Liverpool, Manchester, Glasgow or London, and this is what it depicts: in the immediate foreground there is a beautifully fenced roadway running from a beautiful home, and parked on it is a fine six-cylinder motor car; walking towards the motor car will be found the stalwart son, presumably of the owner—the alleged owner—of the farm; he is about to step into the car; in the barnyard there is a beautifully dressed young woman, whom we are to imagine is the wife of the owner; she is usually dressed in a coloured gingham dress, and looks very pretty; she is feeding corn off a platter to the finest looking geese, turkeys and chickens that any human being ever saw, and that only an artist could imagine; off to one side is an enormous hip-rooffed barn of a type rarely seen on the prairies, adjoining it is the everpresent silo —everpresent in the picture only. Many of us would like to have such a silo, but unfortunately we have never been able to afford one.

Mr. VIEN: Will my hon. friend deny that that is a true picture of many of our Canadian farms?

Mr. GARLAND (Bow River): If my hon. friend will possess his irritable soul in patience I will come to that in time.

Mr. VIEN: I am irritated only by the false statement.

Mr. GARLAND (Bow River): By the false statement?

Mr. VIEN: By your false statement.

Mr. GARLAND (Bow River): Mr. Chairman, I ask that the hon. gentleman be requested to withdraw his remark. I have never made a false statement in this House, to my knowledge.

Mr. POWER: That you know of.

Mr. GARLAND (Bow River): Mr. Chairman, I rise to a point of order. I ask that you request the hon. gentleman to withdraw his unparliamentary statement.

Mr. VIEN: Mr. Chairman, speaking on the point of order, the hon. gentleman affirmed that the picture which he has described was not a true picture of many of our Canadian farms.

Mr. GARLAND (Bow River): No such statement was ever made by me.

Mr. VIEN: And my hon. friend tells me that he resents my temper because of the tone of my remarks. I told him simply that he himself was not truly picturing the conditions in Canada by the statements that he has made. That is the explanation I have to give in respect of my hon. friend's point of order.

Mr. GARLAND (Bow River): Mr. Chairman, I have never made a false statement in this House. The hon. gentleman opposite has accused me of making a false statement. I say that that is an unparliamentary expression and should be withdrawn.

The CHAIRMAN (Mr. Fortier): The hon. member has explained what he meant by "false statement." I think that that explanation should be accepted by the hon. member for Bow River.

Mr. GARLAND (Bow River): No, Mr. Chairman, I cannot accept that explanation. The hon. member deliberately charged me with making a false statement. It is unparliamentary to do so. I have never done it.

Some hon. MEMBERS: Order.

Mr. GARLAND (Bow River): I demand that that be withdrawn. It is my right.

Mr. VIEN: The ruling is given.

The CHAIRMAN (Mr. Fortier): I must declare that the ruling has been given.

Mr. MEIGHEN: Well, Mr. Chairman, I have no brief for the member for Bow River, but rulings of that sort simply make a farce of parliament.

Some hon. MEMBERS: Order.

Mr. MEIGHEN: There is a sense of justice in us all. To rule that an hon. member can explain what he meant by "false statement" and not withdraw the expression is merely to make a travesty of the rules of the House.

Some hon. MEMBERS: Order.

Mr. CANNON: Order. I rise to a point of order. Your decisions, Mr. Chairman, are not debatable, and the right hon. leader of the opposition is now debating your decision.

Mr. MEIGHEN: They are not speakable.

Mr. CANNON: Not debatable.

Mr. GARLAND (Bow River): I have never yet suffered from injustice in this House, and I sincerely hope that on this occasion, Mr. Chairman, you will not compel me to suffer. I must ask you to reconsider your decision. The charge made by the hon. member was untrue, unparliamentary. I have never made a false statement. I ask that the honour of the House be sustained.

Mr. VIEN: I have no objection to saying this: Instead of "false statement," let me correct that and say that the statements of my hon. friend are incorrect; they do not truly depict the conditions in Canada.

Mr. GARLAND (Bow River): That is also inaccurate, Mr. Chairman. I have never painted a false picture, an incorrect picture of this country. The hon. member said that I made a false statement.

Mr. VIEN: Incorrect statement.

[Mr. E. J. Garland.]

Mr. GARLAND (Bow River): No, false statement. The mere substitution of the word "incorrect" does not remove the implication. I must appeal to you, Sir, and ask that the hon. member withdraw that charge. I have never made an incorrect or false statement with respect to the matters that have been discussed.

The CHAIRMAN (Mr. Fortier): Would the hon. member for Bow River please explain the point he is taking?

Mr. GARLAND (Bow River): The hon. member for Lotbinière (Mr. Vien) stated that I had made a false statement with regard to conditions in this country, or something to that effect. The word "false" was used as applied to me—that I had made a false statement.

The CHAIRMAN (Mr. Fortier): And then the hon. member for Lotbinière said that the hon. member had made an incorrect statement; do I understand that?

Mr. GARLAND (Bow River): He has just now done so.

Mr. MEIGHEN: He did not withdraw it.

Mr. GARLAND (Bow River): I contend that the substitution of the word "incorrect" for the word "false" does not remove the implication, and I ask that the unparliamentary words of the hon. member be withdrawn.

Mr. CANNON: There is no unparliamentary expression.

The CHAIRMAN (Mr. Fortier): Does the hon. member for Lotbinière wish to speak to the point of order?

Mr. VIEN: On the point of order, Mr. Chairman, I stated that I resented false statements in respect to Canada, and the hon. gentleman said, "the false statements that you should resent are those made by the Minister of Immigration."

Mr. GARLAND (Bow River): Oh, no.

Mr. VIEN: Well, I want to be corrected if my affirmation now is not exact. The hon. member said, "the false statements are those made by the Minister of Immigration," or by this government, or something like that.

Mr. GARLAND (Bow River): No.

Mr. VIEN: Well, what did my hon. friend say?

Mr. GARLAND (Bow River): My statement was that the propaganda published by them was shown by the evidence of their agent, Dr. Tory, as false, and on other evidence it is branded as false. The hon. member for Lotbiniere then claims that I made a false statement. It is not a matter as between an ordinary member of this House and the government; the hon. member is personally charging me with making a false statement, and I must ask him to withdraw that.

Mr. CANNON: There has been a ruling, Mr. Chairman. This discussion is altogether out of order. The Chairman has given his decision and that decision is not debatable.

The CHAIRMAN (Mr. Gordon): There has been a decision already given?

Mr. MEIGHEN: Mr. Chairman, I hope you have more respect for your position than to say a decision was given.

The CHAIRMAN: I was just told by the Clerk that a decision had been given.

Mr. MEIGHEN: The hon. member for Lotbiniere (Mr. Vien) was allowed to explain what he meant by "false statement." These words need no explanation. These words are against the rules of the House, and should be withdrawn.

Mr. CANNON: The Chairman gave his decision and the decision is not debatable, notwithstanding what the right hon. gentleman (Mr. Meighen) may say or insinuate. According to the rules of the House, this discussion should cease forthwith.

The CHAIRMAN: I regret that for the moment I was out of the chamber, having been called out, and therefore did not hear the remarks in question. There is a dispute as to what actually took place; I am sorry I have not the record before me. I understand that the hon. member for Lotbiniere, to some extent, did dispute what the hon. member for Bow River said and it makes it very difficult for me to reach a conclusion as to what actually passed. If it has been stated that the hon. member for Bow River made a statement on the floor of the House, in this committee, that was false, that is an expression which under the circumstances should be withdrawn, and I trust that the hon. member for Lotbiniere, if that inference can be drawn or taken from his words, will correct that impression before we continue. From the explanations which have been given I am in some confusion as to what actually passed, but I would like to hear from the hon. member for Lotbiniere in explanation of the matter.

Mr. VIEN: Mr. Chairman, I have corrected my statement. I resented the statements made by the hon. member as being an incorrect picture of the conditions in Canada to-day. I asked him whether this literature issued by the Department of Immigration did not truly represent the conditions of some of our farms, of many of our Canadian farms, and I said that if there was any incorrect or false statement made it was the one he had made then. On a point of order being raised, I said I was willing to correct my statement and say that the statement of the hon. member was incorrect; that it did not accurately represent the conditions of Canada to-day. With that explanation I think the committee fully understood that I did not want to charge the hon. member with making a false statement to the committee, which would be unparliamentary, but that I charged him with incorrectly representing the conditions in Canada to-day.

Mr. CANNON: The right hon. leader of the opposition (Mr. Meighen) has described the decision given by the Chairman as an unspeakable decision. I do not think this committee should proceed further without an apology from the right hon. gentleman for such a statement.

The CHAIRMAN: I did not hear that.

Mr. CANNON: I could hear it; it was said in the committee. I do not think any member of the House should use such an expression.

The CHAIRMAN: No; I agree that the expression is a highly offensive one.

Mr. CANNON: I have no doubt that the leader of the opposition will immediately apologize.

Mr. GARLAND (Bow River): I accept the statement of the hon. member for Lotbinière (Mr. Vien) so far as it is an expression of opinion on his part. I was describing to the House as graphically as my poor efforts could the poster which I have seen myself. A little away to one side of this farm building was a beautiful hip-roofed barn, with the silo. We had reached that stage. Everything, of course, was beautiful spick and span and newly painted. Behind the fence to the back of the House, and running over a beautiful sweep of park land was a crop standing in the stook, and the stooks were so thick as to make one wonder how the artist could have got enough room to paint them all in. It was the sort of crop that one sees in this country once in perhaps ten or fifteen years. Off to one side was standing a splendidly built man in the

stage uniform of Jack Canuck. He had on the broad brimmed sombrero, and the English riding breeches, which are very rarely seen in western Canada. He was wearing an open shirt with the cowboy tie, and to everyone who looked at the picture he was uttering these words, "Monarch of all I survey." Not a word about the mortgage companies, not a word about the banks or his debts to them, not a word about taxes or anything else. The wonderful impression was thrown out upon the minds of all who were unfortunate enough to be receptive, that all they had to do was to come here and within a short space of time, almost as quick as the clicking of your fingers, they would appear like that wonderful gentleman and be the monarch of similar possessions.

That kind of propaganda is condemned by Mrs. Harrison Bell. It is condemned by myself. It is condemned, and must be condemned by every honest-minded man in this country who stands for the good of Canada.

Mr. SUTHERLAND: This wonderful gentleman who was standing in the middle of this painting, may I ask if he was one of the egg inspectors of the Minister of Agriculture?

Mr. GARLAND (Bow River): May I say, Mr. Chairman, if the government is really serious in this matter—I cannot believe they are—I think they are just talking for political purposes—but if they are really serious they would censor all the very recent publications of the department. They would censor the publication of this report by Doctor Tory, which makes statements both this year and last which exceed the most extravagant statements ever made by any hon. member on this side of the House. In the opening paragraphs of his report last year, he compares current conditions on the farms of Canada with those existing in Germany in 1875—the most desperate conditions that ever existed in agriculture in Germany, when homes were burned, when much was destroyed, and the countryside was destitute. It is like reading a commentary on conditions here. Doctor Tory's report this year is almost as striking as it was last year.

Then we have the report of the National Conference regarding winter employment in Canada, printed at Ottawa, by F. A. Acland, Printer to the King's Most Excellent Majesty It is not my purpose to quote at length from this report, because that has already been done by my hon. friend from Centre Winnipeg (Mr. Woodsworth) and myself in the debate on unemployment and immigration. I say that this report should also be censored if the government is not prepared to face the actual facts and conditions rather than covering them up with statements of the kind I have quoted from "Canada, the New Homeland."

The other day, Mr. Chairman, I had the unfortunate experience of meeting three fine, moderately young Scotchman out of employment. They were three of the poor chaps who had come up here from Cape Breton. Let me tell this House their story.

These three men had come to Canada as a result of the propaganda carried on in Scotland by the British Empire Steel Corporation. They had seen advertisements in the Glasgow Herald, and in local papers, urging experienced miners to come to the Cape Breton coal fields, where they would be assured of a job at from five to six dollars a day, with steady work. These three men came here on the strength of that statement. Two of them happened to be married, one had, I think, seven children, and the other ten. The third man was unmarried. After they had been here some time they were encouraged by the company to bring out their families.

Mr. PARENT: Ten years of age and drawing six dollars a day?

Mr. GARLAND (Bow River): What is the man talking about, Mr. Chairman?

Mr. PARENT: I wanted to ask the hon. member a question. He said that he had met three young Scotchmen who had come to this country, and who were promised six dollars a day for working in the mines. I am asking the age of these young men. I understood the hon. member to say they were ten years of age.

Mr. GARLAND (Bow River): There is really no use in making any comment on that question. I say that one of these married men had seven children, another ten, and the third man was unmarried.

An hon. MEMBER: Was he a Scotchman?

Mr. GARLAND (Bow River): Yes. The two married men were deliberately encouraged by the company to bring their families out here. The men naturally were glad to accept the encouragement, as all men feel rather lonely and gloomy at times when separated from their families. They took advantage of the company's offer to advance them the money required to pay the passage of their families. These two men brought their families out, and undertook that liability to the company. One of them, the father of the seven children, has not yet succeeded in paying off that liability. He has not had enough

work in the two years to enable him to pay off that debt. The other man had two grown sons who went and worked in the mines with him and who subjected themselves to the reduction of $5 from each pay cheque until they were finally able to pay off their debt to the company amounting to over $600. That debt for transportation has only just been paid off after two years, with three members of the family working in the mines.

The strike came on. They endured conditions just as long as they could, and finally decided it was no use staying in that area, and they left it to find work. The reason why they left it they told very graphically. They had gone up to Sydney, and there they saw an advertisement stating that 800 men and women were wanted in the beet fields of Alberta. On that very day they arrived here in Ottawa, the hon. member for East Calgary (Mr. Irvine) rose in this House and read a telegram from one of the representatives of labour in Calgary to the effect that there was no further employment in the beet fields, that this order was filled long ago. Whatever truth there is in that I am not concerned with now. But it was on the strength of that advertisement that these men started west. How they were going to get west they did not know. They were going to try and get a job on the way perhaps. They went from Moncton to Quebec, and on to Montreal, beating their way, with no money in their pockets. Their experiences on this trip were heartrending to anyone who heard them—suspected by everybody, driven around from one place to another, driven from doorways. Let me give you one illustration.

These men had stopped in the shelter of a railway embankment to cook a billy-can of tea. Dusk was falling, and just as soon as they were ready to partake of their tea, along came one of the railway policemen and ordered them off, using abusive language. They ran up the embankment, and as they ran the policeman struck one of them with his baton three times on the back. When they reached the top of the embankment the policeman fired two shots after them with his revolver. That is the sort of treatment they got—these men who were looking for work.

Here is another experience they had. Going into one of the towns along the way, they noticed the ties were on fire, caused by cinders dropped from the engine. They put the fire out, and approaching the town they met a policeman, and told him what they had done. He said to them in language which I cannot repeat in this House "What is the company to you? Do you think I am going to believe a story of that kind? Do you mean to say you expect me to believe you went and put out that fire? What interest have you got in the company?"

Mr. ARCHAMBAULT: Did the hon. member hear the other side of the story?

Mr. GARLAND (Bow River): I have heard the stories of the three men and each one was corroborated by the other.

Mr. ARCHAMBAULT: Did you not hear the other side?

Mr. GARLAND (Bow River): I am telling you the story as I heard it. Hon members can put what interpretation they like on it. These are the facts as I have heard them recited by these men. By the way, they spent one week-end in Montreal trying to find a job; they went everywhere, along the docks, the wharves, and elsewhere. There was no work for them. They told us here that there were many unemployed in that city. They came to Ottawa. The first thing they did here was to apply to the employment agency. They were referred by the employment agency to the place where the Metropolitan building is going up and they were told that they might get a job there. When they went there they were informed by the man in charge that they were just the type he was looking for; they were rock facers capable of doing some of the necessary work. "But", he said, I cannot take you on at this time because there is too much unemployment in the city, and there would be resentment if you were taken on".

Mr. PARENT: How do you know that?

Mr. GARLAND (Bow River): I know for this reason when these men came here we secured an interview for them with the Minister of Immigration and Colonization (Mr. Robb) who sits just below my hon. friend. We also had the Minister of Labour at that interview, and they did their very best to get these men a job. They tried all that day and the next day, and they were to go back at two o'clock. Let me say the only job these men were able to get—after the strongest efforts on the part of the hon. member for South East Grey (Miss Macphail) who happens to have some friends at Navan—was a job at roadwork. This is the story of three hardy Scotchmen whom the Acting Minister of Finance declared after his interview with them to be men sincerely wanting work. I believe they were myself. I hope they will get work; I wish them well. I have given a description of conditions that exist, is this government going to take any steps to remedy them? I am going to give them all

the credit that is coming to them. I congratulate them, so far as the farmers are concerned, upon the bankruptcy legislation they have introduced. I think it was an excellent step. We have urged it for three years and it was overdue. With reference to rural credit legislation, let me say to the Acting Minister of Finance there is no more important legislation needed in this country. If any immigration policy is to be justified we need, and we need it immediately, a fair and generous rural credit enactment.

Mr. PARENT: For immigration purposes?

Mr. GARLAND (Bow River): I do not know what the hon. member is talking about, he is not very intelligent.

Some hon. MEMBERS: Order.

The CHAIRMAN: I must ask the hon. member to withdraw that statement. He cannot speak in that way of another hon. member.

Mr. GARLAND (Bow River): Is that your ruling, Mr. Chairman?

The CHAIRMAN: Yes, that is my ruling.

Mr. GARLAND (Bow River): Very well, I have pleasure in withdrawing the statement. I wish to quote now this statement from a newspaper:

> Montreal, Nov. 29.—Of the 57,367 "visitors" departing from Montreal for a "temporary visit" to the United States during the past five months, 40,197 did not return, according to I. F. Wixcon, United States immigration commissioner, who, in an address here declared that 76 per cent of those crossing the line from this district employed subterfuge to enter and remain in the United States.

That offsets a good many of the statements that have been made.

Mr. MACDONALD (Pictou): Does my hon. friend believe every newspaper article he reads?

Mr. GARLAND (Bow River): This statement is made by I. F. Wixcon.

Mr. MACDONALD (Pictou): Who is he?

Mr. GARLAND (Bow River): The United States Immigration Commissioner.

Mr. MACDONALD (Pictou): Do you know him?

Mr. GARLAND (Bow River): I would take him to be a man of some responsibility.

Mr. ARCHAMBAULT: From what paper are you reading the quotation?

Mr. GARLAND (Bow River): One of the Montreal papers.

Mr. ARCHAMBAULT: Which one?

[Mr. E. J. Garland.]

Mr. GARLAND (Bow River): I do not know which one.

Mr. ARCHAMBAULT: Is it from La Minerve?

Mr. GARLAND (Bow River): I wonder then if the hon. member will believe this statement. This is a memorandum from the Bureau of Statistics secured by myself on 29th April: the importers of settlers' effects into Canada for the year 1923 reached the total value of $6,205,085. From the United States they amounted to $4,985,266. For the same fiscal year the total exports of immigrants' effects amounted to $7,971,062. Of that amount $6,635,000 worth went to the United States alone. In 1924 the total imports of settlers' effects was $6,114,702, and for the same year the exports of settlers' effects amounted to $10,795,941. Some difference! In the current fiscal year settlers' effects to the amount of $6,342,517 were brought in; the exports of settlers' effects for the same year amounted to $7,862,105. These few figures tell a story—a large heartrending story. The government, I hope, recognizes what is going on, and I tell them, as I have told them for three years now, that if they would turn their attention to the improvement of conditions in Canada, especially the conditions on the farm, instead wasting money on all sorts of foolish structures—elevators at Quebec, elevators at Halifax, elevators at Prince Rupert—

An hon. MEMBER: Hudson Bay railway.

Mr. GARLAND (Bow River): Yes, and I will even join my hon. friends with respect to the Hudson Bay railway. I do not think the time is yet ripe for it. With these things under way and our present outflow of immigrants—due to the lack of proper economic conditions—what is one to think when he reads such a statement as I have given to the House? And I may say that they are not mine alone, but those of officials of this government.

In closing I will give two quotations, one from the Vancouver Sun which certainly cannot be taken as being a very extreme paper:

> The average Canadian home is to-day like a European war home—half the young people are absent: gone to the United States. Here are the official immigration figures of those who are leaving Canada:

An hon. MEMBER: Crepe.

Mr. GARLAND (Bow River): I draw the attention of the hon. member who made that remark to the fact that crepe indicates death. I am not suggesting for a moment, as the hon. gentleman apparently is, that there

is any death in Canada. But if hon. gentleman opposite proceed with their present policy death is going to visit agricultural Canada. The following emigration figures are quoted from the Vancouver Sun:

1921..	52,929
1922..	62,289
1923..	181,973
1924 (for 6 months only)..	96,825

The despatch goes on.

And these people are not the feeble-minded or the old; they are the healthy, the young, the best blood and brain of this Dominion, who have been born, raised and educated at enormous expense to Canada.

How long will this exodus to the United States continue; how long can this country stand the drain of 200,000 or 300,000 per year of its best young people? Why are those young men and women leaving Canada?

The Ottawa Citizen in another editorial not very long ago said this:

The situation for Canada is far more serious than merely that the young men are "leaving their priceless heritage to the keeping of the older generation". They are leaving Canada entirely, to become citizens of another country. Many thousands of the Canadian men who came back from overseas inspired with a greater love for the homeland, and a zeal to serve Canada in peace as in war, have been driven abroad by the pressure of economic circumstances. They found barriers to opportunity raised against them. Entrenched interests have established themselves as toll-gate keepers who take higher toll than young men are prepared to pay for the privilege of living in this country.

I could go on quoting from many sources as to the conditions that exist.

Mr. VIEN: Quote your own case.

Mr. GARLAND (Bow River): I am not so puffed up with myself as to imagine that my own case is due to any ability on my part. The fact that I have the distinction of being in this House to speak for these people has only been possible because of the contemptible conditions under which many of my own unfortunate people have had to live in recent years. I have been sent down here by them because those conditions were wrong, so that I might tell the House about them and try and get a remedy. I have in my hand a few other dispatches. Here is one dated April 2, 1925, and reads:

To give one an idea of the extent of the exodus of settlers from the south country, it might be mentioned that on last Friday's train there were seven carloads of settlers' effects, and on Monday's train there were eighteen. It is stated that there will be eight or ten more carloads on to-morrow's train.

I was down here when this happened, but when I read this item from a local correspondent I was shocked. Then I found in the Ottawa Journal on the same day the following:

Large party of immigrants on way to Canada.

Thirty families leave Liverpool under overseas settlement plan to work farms in Dominion.

On the one hand you will find people who have struggled to make a living going out by the trainload, and people being brought in by the boat load. They will not stay until economic conditions are improved in this country, until rapid and progressive steps are taken by the administration to see to it that the question of unemployment is solved, and the condition of agriculture is solved, and they can do it if they will turn their attention to it with a will, which I would like to see them do.

Mr. ROBB: Having listened to this hardy annual from my hon. friend, I do not wish to delay my own estimates by making another speech. I am not going to quote any of the figures of the movement of immigration. They have already been placed on Hansard a number of times by the Minister of Labour (Mr. Murdock) and I think by the Prime Minister (Mr. Mackenzie King). Listening a moment ago to the figures of my hon. friend as to the movement of carloads of settlers' effects, I observe that the records of March, 1924 coming in from the United States show that there were 158 carloads and in March, 1925 there were 363 carloads. I have here a statement of wealth, cash and effects brought into Canada from the United States and taken from Canada to the United States by settlers during the fiscal years 1912-13 to 1924-25. My hon. friend quoted something like $14,000,000 brought in—

Mr. GARLAND (Bow River): I have no figures whatever for 1912-13.

Mr. ROBB: My hon. friend quoted that.

Mr. GARLAND (Bow River): I have no figures whatever prior to 1922.

Mr. ROBB: The real figures show that in 1924-25 there were brought in effects to the value of $6,277,122.95.

Mr. GARLAND (Bow River): What year?

Mr. ROBB: In 1924-25. Before taking up the question of the climatic conditions, I may say that my hon. friend quoted from Mrs. Florence N. Harrison Bell an alleged report of a speech she made in Calgary. I hold in my hand a copy of the Manchester Guardian 14th March, 1925, containing an open letter from the Overseas Settlement Office, signed by Florence N. Harrison Bell and George F. Plant, who accompanied her here. Apparently the Manchester Guardian had published a despatch from Toronto similar, I imagine, to some of the despatches that will go from this House to-night, which may be on the wires now, and perhaps will be published in the British papers to-morrow.

I will not tire the House by reading the whole of their letter. This letter in part reads:

In our report we have made certain recommendations with a view to improving the system under which the children migrate to Canada and, in particular, have recommended that no children under school-leaving age should be assisted to proceed to Canada—a recommendation which has been adopted by the Secretary of State for the Colonies and by the Dominion government. At the same time we found that, generally speaking, the existing arrangements were satisfactory, that the children were regularly inspected and well looked after by the societies responsible for bringing them to Canada, and that the prospects for the boys and girls in Canada are better than they would have been had they remained in the United Kingdom.

Here is another clause in the letter:

The selection of the children is, and always has been, vested entirely in the hands of the Dominion government. It is not to be expected that there should not be a number of failures among these children, but the vast majority have undoubtedly become good Canadian citizens.

My hon. friend who speaks annually on the immigration problem is himself an immigrant. On his own statement he came to this country not as well off as he is to-day. It seems to me his presence in this parliament, the clothes that he wears and the company with whom he associates are evidence that he is not doing too badly in Canada. He comes from Alberta and apparently he has done very well. I want to say that the gentlemen surrounding me and the gentlemen sitting opposite me are in a position to speak for the province of Ontario and the province of Quebec. For the moment we will let the hon. member for Bow River represent, or misrepresent, Alberta if he wishes in this House. I hold in my hand here some of the records and some of the literature. My hon. friend has found fault with the literature sent out and published by the federal government, and if I understand it he claims that we misrepresented the climate, and that we have not told people of the rigorous climate of Canada, that we have submitted a picture of barns and houses that is altogether misleading. I hold in my hand a document handed out by the province of Alberta for distribution at the Wembley exposition and throughout England. I have not enough copies to pass around the chamber, but hon. gentlemen will notice some of the nice houses and barns which are pictured in this book, and we have a statement headed, "Climate and weather" which reads:

The climate of Alberta is of very attractive quality, and this quality has a very important bearing on the possibilities of development northward and on industrial and more particularly agricultural activities. The climate of the interior provinces of Canada is described as extreme. The winters are subect to low dips of temperatire and the summers are quite hot. Alberta, however, by reason of contiguity to the coast province has a rather moderate climate.

That is an official statement sent out by the province of Alberta. Here is another one telling of the opportunities in Alberta. This booklet says:

Alberta has a greater diversity of surface than the other prairie provinces. The southern part of the province is level prairie, in which the characteristic vegetation is the bunch grass, with cottonwoods, willow, saskatoons and small shrubby vegetation in the river bottoms, but a width of about sixty miles on the west side and in the southern part of the province consists of foothills and mountains.

That description would seem to indicate that it was one of the best provinces in the Dominion. Here is a picture of one of the dairy barns on the government Alberta farms. Look at the splendid herd of cattle and the fine barn. This is issued by Hon. George Hoadley, Minister of Agriculture in the Progressive government of Alberta. Let me read one sentence from this booklet:

The new province gave promise of becoming one of the brightest jewels in the crown of empire. Richly endowed by nature with broad and fertile agricultural lands, a wealth of mineral resources, and surpassing beauty of mountain scenery.

And so on. This is what the government of Alberta has to say about that province: this is the type of advertising it sends overseas.

Mr. MACDONALD (Pictou): Does the hon. member for Bow River (Mr. Garland) support that government?

Mr. ROBB: I do not know. Now, I have here a copy of The Financial Times of Montreal of May 29, 1925 in which there appears an advertisement over the names of the ministers of the province of Alberta, as follows:

Hon. H. Greenfield, Premier and Minister of Municipal Affairs.
Hon. J. E. Brownlee, Attorney General and Provincial Secretary.
Hon. R. G. Reid, Provincial Treasurer.
Hon. George Hoadley, Minister of Agriculture and Health.
Hon. Alexander Ross, Minister of Public Works.
Hon. V. W. Smith, Minister of Railways and Telephones.
Hon. Perren Baker, Minister of Education.
Hon. Mrs. Irene Parlby, Minister without portfolio.

This advertisement is headed:

Province of Alberta—a land of opportunity for settler and investor.

It gives the total value of agricultural products for the year 1924 as $217,757,120.23, and it shows that Alberta's coal production in 1923 amounted to 6,800,000 tons. I will not tire the committee by reading all the columns devoted to an advertisement of Alberta's resources, but the fact is that this is the statement sent out by that province. Now,

does the government of Alberta speak for the province, or does the hon. member for Bow River?

Mr. WOODSWORTH: I desire briefly to refer to one particular aspect of this immigration question, namely, that with regard to child immigration. A year ago this question was discussed in the House and there is no reason why I should now go over the ground then covered. However, since that time the subject has been discussed rather fully following a visit from Miss Margaret Bondfield and investigations by the social workers of this country. These investigations throw some light upon this very important question. As I said last year we ought to look at this matter both from the standpoint of the immigrant child and from that of the welfare of this country. We have recorded a very large number of instances where children have been mistreated in Canada and this would seem to show that the supervision is not as good as it should be. On the other hand, we have had so many instances of children being brought into Canada who were not suited for immigration that it would indicate that the selection has not been either careful or wise. As I pointed out last year, we are extremely careful about the character of our grain; we try to get the best seed possible. And we are equally careful in the matter of live stock. But we pay much less attention to the character of the girls and boys, the human stock, whom we are importing from the Old Land. I shall quote briefly from a report which has been sent me by the Social Service Council of Canada, an organization on which are represented a large number of churches and social agencies in this country, and which I heard quoted the other day as an authority by the hon. member for Lotbinière (Mr. Vien):

> Previous to the visit of Miss Margaret Bondfield, M.P. and a delegation of the overseas settlement committee to Toronto, a further effort was made to ascertain the effect upon Toronto of juvenile immigration. By co-operation of local social service agencies specially interested in child life, an investigation was made by trained workers as to the number of persons in Toronto who came to Canada as child immigrants. Two hundred cases were recorded, twenty-four of whom were included in the records already quoted from the Toronto General Hospital.

The minister a little while ago said that certain members on his side were able to speak for the old province of Ontario. Now, I am quoting here figures taken from statistics collected by social workers in Ontario, which province has received a larger proportion of juvenile immigrants than any other section of Canada. At page 41 of this report there appears a statement with regard to these two hundred cases:

> Two hundred immigrants residing in Toronto, having reached Canada as child or juvenile immigrants:
>
> Mentality—
>
> | | |
> |---|---|
> | Apparently normal | 45 |
> | Below normal | 78 |
> | Mentally defective | 77 |
> | Imbecile from birth (now in Orillia) | 3 |
>
> Financial circumstances—
>
> | | |
> |---|---|
> | Desirable citizens | 17 |
> | Independent | 65 |
> | Dependent | 137 |
> | Undesirable | 162 |
> | Indifferent | 21 |
>
> Health and mortality—
>
> | | |
> |---|---|
> | Treated for v.d | 64 |
> | Known immoral | 134 |
> | Married | 64 |
> | Broken homes | 25 |
> | Illegitimate children | 123 |

The pamphlet then goes to analyze these figures:

> What is the significance of these figures? Certainly not, that all juvenile immigrants are immoral, or defective or dependent. These two hundred cases were collected through agencies or persons chiefly concerned with relief or correction or some other aspect of social service. The two hundred represent, therefore, the percentage of the failure of the system through which they were recruited for Canada, rather than its normal product. The reports of the Superintendent of Juvenile Immigration for Canada and the publications of the immigrating homes and agencies, as well as earlier sections of this report, have told the other side of the story. Most of us know desirable citizens of Canada who reached these shores as child immigrants. Nor do we consider that statistics on this subject, collected in Toronto, are likely to be characteristic of conditions in cities in other parts of Canada. As many more than two-thirds (74 per cent in 1923 Year Book) of the juvenile immigrants to Canada settle in Ontario, it is altogether likely that Toronto has more than her fair proportion of the failures among her dependent citizens Granting these considerations, your committee is still of the opinion that conditions prevailing in Toronto justify them in thinking that the success or failure of juvenile immigration should not be judged only by the records of the juvenile immigrants while wards of the immigrating agency. The statistics quoted above show the "dangerous ages" to be just the years when these wards, for the first time, become independent of the home.
>
> They are supported by the evidence of the social workers who visited places in the province where these boys and girls have been placed on farms or in country homes. Again and again they report employers and neighbours as remarking on the foolish use made by these young people of their accumulated wages and their new-found liberty. Many seem to use their freedom to leave the country and taste the pleasures and temptations of the city. In this way the system of juvenile immigration vitally affects city life; and yet, neither the city nor the province, except in Manitoba, has any say in the placement of immigrant children within their borders.

Reference is here made to the province of Manitoba. I may say that the social workers interested in the placement of children in that province have stated to me that they are very much afraid of the incoming of such large numbers of immigrant children, and that in fact some of the immigration agencies have tried to act quite independently of the pro-

vincial authorities in placing these children. This is a very serious state of affairs.

I shall quote a few very brief sentences from the conclusions and recommendations of the Social Service Council of Canada. It seems to me these are very reasonable and should be carefully considered by the government, especially as they are given to the public after the visit of Miss Bondfield and after a great deal of discussion had had taken place about these agencies:

The inspection as now carried out by the federal government and the immigrating agencies is often perfunctory and inadequate. One agency has but one inspector, a man of eighty years of age. More generally, the visits of the inspectors are few and ill-managed, and the inspectors are not always suited to their work.

Again:

The apprentice contract should be standardized for different sexes, ages and types, and be convincingly just for both employer and employee.

Again:

That no immigrant child, even if otherwise satisfactory, should be accepted by the Dominion immigration officials in Britain who has not been subjected to three tests—tuberculin test, Wasserman reaction test, and a psychiatric test.

Again:

That while it is impossible to lay down rigid rules as to the desirable frequency of inspection. (a) No child should be sent to a foster home from an agency until that foster home has been inspected and passed upon by an official duly appointed by the provincial authorities or by the Department of Immigration.

And once again:

That as the demand in Canada is for children to work on farms or in households, only boys and girls of post-school age should be brought to Canada by immigrating agencies.

That last recommendation is, I think, one that was given by Miss Bondfield to the imperial authorities. At this late hour, Mr. Chairman, I do not wish to enlarge upon these recommendations, but I do feel that I ought not to allow this opportunity to pass without very definitely placing these facts and suggestions before the committee and urging that they be given serious consideration by the department. I fancy that we ought to look forward to the years to come when the boys and girls from our own homes will be sufficient to gradually spread our population across the Dominion. I hope that the time will come when, for the sake of Canada, we shall not be forced to bring in young girls and boys to work in our homes and on our farms. In the interests of the immigrant children, although in many respects life in Canada may be superior to life in the slums of Great Britain, I urge that we must have a much better system of inspection than we have had in the past.

[Mr. Woodsworth.]

Mr. ROBB: Mr. Chairman, in answer to my hon. friend from Centre Winnipeg (Mr. Woodsworth) I think I placed on record a moment ago the statement of the Hon. Margaret Bondfield, who visited Canada purposely to look into this question of child immigration. Her report showed that the children had done fairly well in this country, and that, generally speaking, they were well cared for. I am not going into the details of the report issued by the social service workers. One does not like to contradict welfare workers who are animated, no doubt, by a desire to help, but it seems to me that at least before broadcasting such a report they might have consulted the department and received more accurate information. To give my hon. friend an instance of only one inaccuracy, on page four of the report the statement is made, that in the last fifteen years Canada has brought seventy-five thousand juveniles to her shores, and the movement is said to be steadily increasing in volume. The total influx of juvenile children, not including children belonging to parents, for the fifteen years ending March 31, 1924, is not 75,000, but 21,552. The total number of juvenile immigrants brought to Canada since 1868 is just about 80,000. The total of the arrivals for the ten years ending March 31, 1924, is under 10,000, and the total for the previous ten years was almost about 25,000. To get the highest number for any one year, we have to go back to 1905-1906, when 3,264 juvenile immigrants came in, the only time in the history of the movement when it exceeded 3,000 a year.

Mr. WOODSWORTH: Might I ask the minister to comment on the particular statistics which I gave? Does he question those?

Mr. ROBB: I have not looked into them at all, but if they are no more correct than the one I have noticed, I should not like to waste a busy man's time looking into them.

Mr. GARLAND (Bow River): Mr. Chairman, there is just one aspect of the child immigration problem that I think this committee might well take into consideration. In Canada, indeed in Ottawa itself, we have a tremendous number of orphan children—our own Canadian children, born of our own Canadian people—anxious for a home. Ladies who have gone down to visit these places have told me that the children will climb on their knees and hug them, so anxious are they for some affection. Now, it occurs to me that while these orphans all over Canada are left dependent largely upon voluntary charity, it is not a very good policy to be

spending taxes on the importation of children from other countries. That is my comment. I think our duty is to our own children first. Instead of looking after them as we should, we leave them largely dependent upon what chance contributions gentle souls throughout the country may be in a position to make.

Mr. MACDONALD (Pictou): Does not my hon. friend know that the care of these children in his province is under the direction of the government he supports, led by Premier Greenfield and—not this government?

Mr. GARLAND (Bow River): Yes; and I also know that even in that province we are put to our wits' ends to provide homes for mental defectives, the direct result of the importation of these child immigrants. Now, Mr. Chairman, the minister had a lot of fun out of the few remarks he made after I had finished. I would disabuse his mind of one or two misapprehensions. I agree with him heartily that the propaganda published by the Alberta Department of Agriculture over the name of Mr. Hoadley does no more represent average conditions in Alberta than does his own propaganada.

Mr. MACDONALD (Pictou): Will my hon. friend permit another question? Could he tell this committee if there is any government in this Dominion or anywhere else that he, with his Irish tendency to be "agin" the government would ever support?

Mr. GARLAND (Bow River): No, Mr. Chairman. That is the kind of comment I would expect from the hon. gentleman, and it is all I would expect from him. The minister in his argument attempted to make it look as though Mr. Hoadley was speaking for the province of Alberta, and that of course the member for Bow River, although he was quite willing to let him speak for a portion, could not possibly be speaking for the whole of Alberta.

Mr. ROBB: What about the records of the whole cabinet?

Mr. GARLAND (Bow River): Just a moment, now. I have in my hand, as it so happens, two of the resolutions passed by the annual convention of the United Farmers of Alberta, which is the strongest farmers' organization in Canada, and is going to be stronger as a result of this government's action.

Mr. CANNON: Do not be too sure of that.

Mr. GARLAND (Bow River): The hon. member for Mackenzie (Mr. Campbell) corrects me; he says; "inaction." Inaction is correct. Now, let me paint this picture very clearly for the committee. Mr. Hoadley spoke to that convention; he spoke to them on immigration. He spoke to the women's section of that convention on immigration. Mrs Parlby spoke to them on immigration. After both these persons, whom my hon. friend has quoted to-night, had spoken, these farmers, gathered together in convention from every section of the province, knowing the actual conditions as they were, passed these two resolutions. Let me read them. This one was adopted by the annual convention of the United Farm Women of Alberta, held January 20 to 23:

Immigration

Whereas, the financial condition of the country is such as to make us feel that more people should not be encouraged to come here until conditions alter, so that we can render more assistance to those who come in and hold out brightest hopes for the future;

Therefore, be it resolved, that the government be urged to discontinue their present expensive immigration policy and direct their efforts more towards bettering conditions so that the people we already have will wish to stay.

I take my mandate from that convention and not from Mr. Hoadley.

Mr. JACOBS: Did the hon. member write that resolution himself?

Mr. GARLAND (Bow River): No, he had nothing to do with it.

Mr. JACOBS: Was he present?

Mr. GARLAND (Bow River): As a matter of fact, many resolutions were sent out from that convention from countless locals on that very matter. Here was a resolution adopted by the annual convention of the United Farmers of Alberta:

Resolved that this convention—

An hon. MEMBER: How many were there?

Mr. GARLAND (Bow River): So many that my hon. friend would be delighted to have their number at the next election.

Mr. CANNON: As many in Saskatchewan?

Mr. GARLAND (Bow River):

Resolved that this convention go on record as being absolutely opposed to the government spending any money for bringing in agricultural implements—

Some hon. MEMBERS: Oh, oh.

Mr. GARLAND (Bow River): Quite right; that is exactly what they are. They come in here to be turned into agricultural implements by the administration or the powers that be.

An hon. MEMBER: Is there any harm in that?

Mr. GARLAND (Bow River): If I may go a little further, Mr. Chairman, I will continue the reading of the resolution:

—for bringing agricultural immigrants into Alberta until conditions in the province are such that the average farmer at present in the province can make a decent living on an Alberta farm.

Now, the Minister of the Interior (Mr. Stewart) has been so delighted with this and has laughed at it so much that he has not heard it all, and the interruptions have been so numerous that I am sure hon. members, or many of them, must have been deprived of the pleasure and profit of hearing just what I said. Permit me, then, to repeat the resolution.

The CHAIRMAN: The hon. member is not entitled to repeat the resolution.

Mr. CANNON: No repetitions, for goodness' sake.

Mr. GARLAND (Bow River): I am not permitted to repeat it?

The CHAIRMAN: No, not permitted to repeat it. Unnecessary repetition is against the rules of the House.

Mr. GARLAND (Bow River): I did not think it was unnecessary.

The CHAIRMAN: I rule that it is unnecessary.

Mr. GARLAND (Bow River): May I appeal to you, then, as Chairman, to preserve a little more order while I am speaking? The order has certainly, in my opinion, been disgraceful; I have not been able to hear even myself at times.

The CHAIRMAN: Order.

Mr. GARLAND (Bow River): Now, with regard to child immigration, again let me say, with all due respect to the remarks of the Minister of Immigration, that I am not altogether satisfied either with the inspection or with the general policy. I hold in my hand a despatch from Toronto dated May 18 of this year. It reads as follows:

Following the inquest here to-day the inquiry into the death of 18-year old Benjamin Berman, whose body was found in Toronto Bay last Thursday, Chief Coroner Graham referred to the apparent sub-normal mental condition of the boy's family, and declared that it was "a sad commentary on this Canada of ours that we have an immigration department that will permit the introduction into Canada of such a type as we have seen before us this afternoon."

I have another, but I do not want to quote it at length, regarding the suicide of some unfortunate child immigrant, and the following quotation from the Vancouver Sun:

Sixteen-year-old boy came before the Toronto police court this week on a charge of housebreaking. During the course of the trial it developed that the boy's father is an ex-convict and sub-normal in intellect.

One brother is now serving a term in the penitentiary and two others are deaf and dumb.

The five people are probably costing the Dominion of Canada $10,000 or more a year in loss through their depredations, cost of their trials and their keep.

And the sane, healthy people of the Dominion are paying the bill, incurred as it was through the fact that a mentally deficient father was permitted to come into this country.

There are difficulties, I admit, with regard to the checking or ascertaining of the mental condition of adult immigrants who come to Canada, but it is nothing as to the difficulty with regard to these orphan children, these child immigrants. The medical profession—and I am quite sure the hon member for Fort William and Rainy River (Mr. Manion) will bear me out—will inform the House, if it is asked to, that you can examine the life history of any adult, checking up the life history also of father and grandfather, and make resonably sure whether there is any likelihood or any danger of insanity or of the development of any mental defect. Is that not true?

Mr. MANION: Oh, I think so.

Mr. GARLAND (Bow River): In the case of these immigrant children, from the very nature of their origin one is justified in suspecting at least that there is mental taint. Where do they come from? Mostly from the orphan homes. In many cases you cannot even trace who their parents were; in many cases their parents are dead—died under extraordinary circumstances. I do not think the best interests of Canada are being served by enfiltrating the whole of our race with the dangerous types which undoubtedly will result from the importation of these child immigrants. The least we can ask is that before they are brought to these shores the strictest possible medical examination be made of every one of them individually. The Minister of Immigration owes at least that much to Canada. I am personally opposed to child immigration. I am not opposed to adult immigration. I would permit any physically and mentally fit man or woman to come to Canada.

Mr. MACDONALD (Pictou): Hear, hear.

Mr. GARLAND (Bow River): Yes. But I would not spend one dollar of the taxpayers' money to bring them here under the present conditions.

Mr. MACDONALD (Pictou): How did you get here?

Mr. GARLAND (Bow River): I got here with my own money. I was not helped over on an assisted passage scheme. I did not have my farm financed. I did not have to take up an abandoned soldier settler's land at revalued prices. I came out here and took my chance at pioneering. Now, Mr. Chairman, may I ask that the minister take into serious consideration, more serious than he has indicated to-night, the remarks I have made? I have made them in all sincerity. My only interest is the welfare of Canada. Her welfare is mine. My children have been brought up here. I hope to live here, spend my days here, and die here, and I hope my children will after me, and I resent the ridicule which has come from hon. members on the other side of the House. I frankly object, although I do not think he intended to be discourteous, to the—shall I say?—light manner in which the Minister of Immigration has treated my remarks.

Some hon. MEMBERS: Order.

Mr. GARLAND (Bow River): I have tried to make them consistent. I have tried to make them a proper picture of average conditions, and I ask that the minister will at least consider them.

Mr. ROBB: I shall not refer to child immigration except to remind my hon. friend that I have already placed on record figures to show that the conditions are not what he has represented them to be, either as to numbers or quality. We have also the statement of Miss Margaret Bondfield, who came here especially to look into the conditions, and who reported that these young people were being looked after very well here in Canada.

With reference to that regrettable incident in Toronto which my hon. friend referred to, the morning I read of it in the newspapers I wired to our agent in Toronto to make a report upon it, and I have that report here. I will admit at once that possibly in past years the medical inspection has been rather lax. There was a period in our history when we allowed people to come in here without a medical examination as strict as it is now, but the medical examination now is as strict as it possibly can be, and in addition to that, we have a very careful civil examination by our officers. In this particular case our records establish that the boy's father, a Russian Hebrew, arrived at Portland, Maine, on March 8, 1913, and was admitted destined to Toronto. In 1921 he returned to Poland on a visit, returning the same year. On May 23, 1923, his daughter, Gitla, aged seventeen, was admitted, and on September 8, 1923, his son, Benjamin, aged fifteen, was admitted. This is the boy whose death is being investigated. He was destined to the father at 138 Elizabeth street, Toronto, and according to our record passed medical inspection. On February 24, 1924, Mrs. Berman, aged forty-seven, together with her daughters, Ryfka and Nycha, aged twelve and nine years, respectively, were admitted, all destined to the husband and father at Toronto. Our record shows that each member of the family passed medical inspection at the port of entry.

Mr. CLARK: Would the minister explain why it is necessary for Canada to spend millions of dollars annually to get immigrants, when the United States has millions offering without spending a cent? In fact, they are spending money to keep them out.

Mr. STEWART (Argenteuil): The United States did spend a lot of money when she wanted immigrants.

Mr. ROBB: Canada is spending money to keep them out as well as the United States. We must control immigration. If my hon. friend is willing that we should wipe out all restrictions and allow the steamship companies to dump on our shores anyone they like, of course we would not need to spend the money.

Mr. CLARK: Why should there be good immigration offering plentifully to the United States, but not to Canada?

Mr. ROBB: The immigration must be selected.

Mr. LeSUEUR: One of the questions which is important in immigration, and which I at least do not fully understand, is the extent and the details of co-operation between the federal and provincial immigration authorities; and secondly, after the immigrants have arrived here, what machinery have we got to follow them up and assist them, more or less to protect them in the early stages of their stay here?

Mr. ROBB: If my hon. friend will look in Hansard to-morrow morning he will discover that I have put on record twice our method of following up immigrants. As regards co-operation with the provincial authorities, we have co-operation, particularly with the province of Ontario. Ontario has a very excellent immigration service overseas, and we co-operate with them fully.

Mr. CANNON: Mr. Chairman, while the hon. member for Labelle (Mr. Fortier) was

in the chair, he gave a ruling. Although that ruling was not debatable, the right hon. leader of the opposition (Mr. Meighen) in relation to that decision used the following words:

I have no brief for the member for Bow River, but rulings of that sort simply make a farce of parliament.

The right hon. leader of the opposition said further:

Your decision is merely to make a travesty of the rules of the House.

And the right hon. leader of the opposition ended up by saying:

Your decisions are not speakable.

I would not call your attention, Sir, to the expressions used if they had not been uttered by a member of the House who is, or should be, of such high standing as the leader of the opposition. First I would call your attention to the fact that the right hon. gentleman had no right to debate the decision. Having done so, he had no right to use the language which he did use. According to the decisions given under rule 16, paragraph 193 of Beauchesne's Parliamentary Rules:

Members using unparliamentary language are promptly called to order and generally satisfy the House with an explanation or an apology. If not they will be dealt with under rule 18 or punished as the House may think fit.

Mr. JACOBS: The tower is not ready for occupation yet.

Mr. CANNON: Having quoted the expressions used by the right hon. gentleman, and I do not think he will deny having used them, I suggest that right hon. gentleman should apologize to the Chair, and if he refuses to do it, that he be dealt with according to our rules, and in any case that the remarks used by him should be deleted from Hansard.

Mr. MEIGHEN: I was not in when the hon. member started this interlude. I did not know that we were revamping the proceedings of an hour or two ago. I came to see why the House was sitting so late. I do not know what the hon. member said when he began, but he referred to a remark I made in regard to a decision that was given by the hon. member for Labelle (Mr. Fortier) when he was occupying the chair temporarily. A decision had been given, to which I took exception. An hon. member opposite remarked it was not debatable, to which I remarked, it was not speakable. Objection was taken, I presume, on the ground that comment cannot be offered on a decision of the Chair. That is right, and if an hon. member proceeds to speak of something that is not debatable, he can be called to order and made to cease. But he cannot be made to withdraw unless he makes a remark attributing to another hon. member conduct unbecoming a gentleman. The word "unspeakable" is not such a word as has ever been ruled out of order in this House as attributing conduct unbecoming a gentleman.

[Mr. Cannon.]

Mr. CANNON: In fairness to the right hon. gentleman, before he came in I was quoting the expressions he had used, which were to the effect that the ruling given by the Chairman was a farce, secondly that it was a travesty, and thirdly that it was not speakable.

Mr. MANION: I consider, Mr. Chairman, that this whole debate is out of order because according to rule 18 "the Speaker shall decide the point of order," which was the point of order referred to by the hon. member for Dorchester (Mr. Cannon) in regard to which certain remarks were made by the right hon. leader of the opposition. Rule 18 says:

The Speaker shall decide the point of order, which decision shall be subject to appeal to the House, but without debate. If there be no appeal, the decision of the Chair shall be final.

You, Sir, about an hour and a half ago gave your decision, and I consider it was final. Under the rule I have cited I do not think the hon. member had any right to open up this subject again.

Mr. CANNON: We are not discussing the point of order decided by the Chairman at that time. I am simply raising the point that the right hon. leader of the opposition, contrary to his habit, has used very strong language, unparliamentary language, and I have no doubt that he will apologize as any hon. member who had done that should.

Mr. MEIGHEN: I have used no language which was unparliamentary at all and therefore cannot be made to withdraw.

Mr. CANNON: I do not think the right hon. gentleman can contend rightly that calling a decision of the Chair "a farce, a travesty and something unspeakable" is not unparliamentary.

Mr. MEIGHEN: I did not use the words the hon. member has quoted. I used the word "unspeakable" or the words "not speakable" it is true. I said that a decision of that kind rendered the rules a farce. That language is not unparliamentary.

The CHAIRMAN: I am sorry that during my absence for a few moments, and while

the hon. member for Labelle (Mr. Fortier) was in the chair, this unfortunate incident occurred. I returned to the chamber to find that there was a dispute as to the words that were actually spoken.

Mr. MEIGHEN: By the hon. member for Lotbiniere (Mr. Vien).

The CHAIRMAN: I understood the right hon. leader of the opposition had used the expression, with respect to a decision the Chairman (Mr. Fortier) had given, that it was "unspeakable." I commented on the fact, and said I thought it was highly offensive for any such reflection to be cast on the Chair. Having given that ruling I do not feel called upon to repeat it at this late stage. but I do feel that the right hon. gentleman should withdraw the statement in fairness to the hon. member for Labelle.

Mr. MEIGHEN: The words that are unparliamentary have been reviewed in the rules over and over again and are to be found in Bourinot? If it could be shown that the word "unspeakable" or the words "not speakable," which I used, can be regarded as unbecoming a gentleman, there would be some point to the objection raised.

The CHAIRMAN: I should like to deal with this matter right now. Such a situation having developed, now is the proper time possibly to cite the authority which, apparently, deals with matters of this kind. In "Precedents of Proceedings in the House of Commons" volume 2, at page 234 under the title of "Speaker; his duties in keeping order in the House" I find the following:

> It is impossible to lay down any specific rules upon this point or to declare beforehand what expressions are or are not contrary to order; so much depends upon the tone, and manner, and intention of the person speaking: something upon the person to whom they are addressed whether a minister in a responsible station, or a private member not in office;—whether the words are meant to be applied to his public conduct, or to his private character;—the degree of provocation which the member speaking had received from the person he alludes to: All these considerations must be attended to at the moment, as they are infinitely various and cannot possibly be forseen in such a manner as that precise rules can be adopted with respect to them. When the Speaker observes upon any expression as personal and disorderly and tending to introduce heat and confusion, and this appears to be the general sense of the House, the member offending ought immediately to make an apology and to ask pardon of the House for this breach of their orders, in as large and liberal expressions as possible, so as in such apology to comprehend the person of whom the words were used.

It is very difficult for me, not having been present, to interpret exactly the position that has developed out of this incident. It occurred to me, however, that the expression used is one not ordinarily used, and if not out of order or if not unparliamentary, has nearly reached the point where it constitutes a reflection on the ruling that the hon. member for Labelle, as Chairman gave.

Mr. MEIGHEN: There was no reflection on the ruling or the rules of the House, and one cannot be made to withdraw an expression unless it is unparliamentary. The very quotation which you, Mr. Chairman, have made shows that it was not. Nobody would suggest that it had reference to the private character or private conduct of the members, it referred to a public act, and the quotation makes it very clear that I could not possibly be made to withdraw the expression.

The CHAIRMAN: I have not asked the right hon. gentleman to withdraw his statement. I do say, however, that to my mind the expression he used approaches closely to a reflection upon the ruling of the Chair, and no hon. member has any right to reflect upon the ruling of the Chair.

Mr. MEIGHEN: I admit that.

The CHAIRMAN: My right hon. friend, in view of his long parliamentary experience should not have indulged in comment of such a nature with respect to a junior member who was temporarily occupying the Chair.

Mr. MEIGHEN: I admit that an hon. member can be called to order for improperly commenting on a ruling of the Chair, but it is a very different thing to ask me to withdraw an expression which is neither ungentlemanly nor unparliamentary.

Mr. CHAIRMAN: I am not asking the hon. gentleman to do so.

Mr. MANION: Mr. Chairman will you allow me—

An hon. MEMBER: Sit down.

Mr. MANION: Who said "sit down"?

The CHAIRMAN: I want this point of order settled.

Mr. MANION: I certainly object to any hon. gentleman telling me to sit down.

Mr. MARLER: The remark was not nearly as objectionable as the one that was directed at me across the floor the other day.

Mr. MANION: I raised a point of order some time ago. I should like to know under what rule a question of order can be brought up an hour and a half after the decision has been given.

Mr. CHAIRMAN: I should like to inform the hon. member that the question before the committee has been disposed of.

Mr. MANION: All right, if it has been disposed of.

Mr. HOEY: I should like to ask if the government has seriously considered the advisability of coordinating the different immigration agencies as suggested by Sir Henry Thornton in his annual report on the Canadian National Railway; it seems to me that the suggestion was well worthy of consideration.

Mr. ROBB: I did not read Sir Henry Thornton's report. I did read his statement as reported in the public press which I imagine was the same thing. I should like to say that insofar as possible we are trying to cooperate with the two railways. We recognize that there is duplication particularly overseas, possibly in some places in the United States, but as far as possible we are trying to reduce expenditure and to adopt cooperative measures to the greatest possible extent.

Mr. HOEY: The minister referred to Mr. Smith's retirement. Has his successor in London been appointed?

Mr. ROBB: Mr. Little is now overseas.

Mr. SPENCER: How many private immigration agencies outside the Dominion are bringing in immigrants?

Mr. ROBB: I could not tell my hon. friend that. There are many people who constitute themselves agents. There are many people who come to the department from time to time making representations that they are agents. We have no list of the number of such agencies.

Mr. SPENCER: I refer to such organizations as land companies, railway companies, and colonization associations.

Mr. ROBB: And my hon. friend might add steamship companies, steamship agents and booking agents. We have no record of the number; they are world-wide in their activities.

Mr. GARDINER: To how many agencies do the government contribute in bringing immigrants into Canada?

Mr. ROBB: I have already given that information three or four different times. My hon. friend will find it in Hansard.

Mr. GOOD: Could the minister give us any idea as to the proportion of this vote which is spent for inspection work, that is looking after the qualifications and characteristics of the immigrants who are applying for entrance, and the amount of money that is spent on attracting immigrants?

Mr. ROBB: I can place on record a statement of the newspaper advertising and the lectures given if the hon. gentleman requires that.

Mr. GOOD: I was not asking for anything very detailed, but I should like to have some information as to the respective cost of the inspection service on the one hand, and the lectures and advertising and so-called propaganda on the other. The reason I ask for the information is that I regard the inspection service as essential in any case, and I should like to know how much we are spending on that. The other activity seems to be very ill-advised under the circumstances, but until we know the extent of it, it seems a little difficult to criticize intelligently.

Mr. ROBB: I should have to go through the data very carefully. It would require to be analysed in order to get the full list.

Mr. GOOD: Could the Minister bring that information on a subsequent occasion?

Mr. ROBB: I will try and get it for my hon. friend.

Mr. GOOD: Perhaps the matter could stand over.

Mr. ROBB: We will have to put this vote through to-night. I will get the information for my hon. friend on a later item if he will ask me about it.

Mr. GOOD: In connection with another item of the Immigration department?

Mr. ROBB: Any other immigration item.

Mr. GARDINER: What action is the Department of Immigration taking in the case of the British Empire Steel Corporation who brings people in under contract and do not live up to that contract? Is the minister or the department taking any action to see that the contract is fulfilled?

Mr. ROBB: I overlooked answering something on the same question at an earlier stage of the proceedings. I think my hon. friend from Bow River (Mr. Garland) made a reference to three very excellent chaps that I saw. Those men represented to us that they came to Canada on the strength of an advertisement inserted in the Glasgow Herald by the British Steel Corporation. The government of Canada has no control over the newspapers in Great Britain, but the government of Great Britain has control, and if that

advertisement was inaccurate, they would have recourse through the government of that country.

Mr. GARDINER: I can quite understand that we would have no control over any advertisement put in the papers in the Old Country by the British Empire Steel Corporation, but when immigrants are brought into this country practically to work for such an organization as the British Steel Corporation or any other corporation, I should like to know what action the Department of Immigration would take, in case this corporation did not live up to the spirit of their contract.

Mr. ROBB: My hon. friend is asking rather a broad question, because if by implication the government should follow up all who publish alluring advertisements which are not quite right, and my hon. friend from Bow River is right, then the government of the province of Alberta is equally as culpable as any other body.

Mr. GARDINER: The minister has not caught the point of my question which is this: Here is an organization that practically to all intents and purposes makes contracts with men in the Old Country to come and work here. The question is this: What action does the Department of Immigration take with organizations or corporations which bring them into this country practically under contract and do not fulfil that contract?

Mr. ROBB: The department are doing all they can. When men come to us with a contract, we do all we can to see that the parties live up to their contract. I will admit that if they do not live up to their contract this week, then next week we might refuse admission to some person they attempted to bring in, but I do not see how we can go further. As to these three men, on their own statement, apart from not giving them work, the company had not been unkind to them, because they advanced them money, and the men admitted in my office that the company had never pressed them for the return of that money, and they owed the company $580. I said to them, "Have you ever been pressed for this," and they said "No, because we did not have any work."

Mr. IRVINE: You cannot squeeze blood out of a stone.

Mr. ROBB: No.

Mr GARDINER: I know of another case where a man had been advanced money to bring his family out here. But that is not the question I desired information about. We may have corporations or individuals who bring people out by advertisements in other countries, but what action does the Department of Immigration take, or can it take any action, to see that these contracts are lived up to?

1 a.m.

Mr. ROBB: No, but generally speaking they are not lived up to?

Mr. GARDINER: There is no redress if they are not lived up to?

Mr. ROBB: Just the general law of the country.

Mr. GARDINER: I do not think that is very much protection.

Mr. ROSS (Kingston): What is the routine adopted when a person in the Old Country wishes to come to Canada? To whom does he make application and what routine must he go through?

Mr. ROBB: They may go to a booking agent or an immigration agent, but in any event the booking agent has the immigration representative over there pass on him, and he gives him a permit. If our officer determines, that the subjects are not physically fit they are refused a permit to go on the ship.

Mr. ROSS (Kingston): Where is the physical examination made?

Mr. ROBB: The final medical examination is made in Quebec or St. John, the port of landing. There is an advisory examination if it is considered necessary?

Mr. ROSS (Kingston): In the Old Country?

Mr. ROBB: Yes.

Mr. ROSS (Kingston): Suppose the two examinations do not tally?

Mr. ROBB: Our Canadian examination decides it.

Mr. ROSS (Kingston): At Quebec?

Mr. ROBB: Quebec, St. John or Halifax, the port of landing.

Mr. ROSS (Kingston): Are the booking agents government officials?

Mr. ROBB: No, the booking agent might be the railway agent or the steamship agent that sold the tickets.

Mr. SPENCER: I should like to get from the minister the statement that our problem is more of a colonization problem than one of immigration.

Mr. ROBB: Yes, now.

Mr. SPENCER: Particularly if we have 50,000 to 60,000 unemployed in Canada, and I for one refuse to believe that there is any more than a very small percentage of them unemployable. Many have gone off the farm. I have been approached by many of them who are very good farm hands, who have worked on farms for years—family men—but their work is quite uncertain for the entire year, and they have often approached me to see if there was any possible way they could be helped to farm by themselves. Here families are being brought over and started through direct or indirect government aid, they have been very anxious to know if something could not be done for them. These men are altogether better equipped for going farming than those who are being brought here; but on account of their family,—from three to eight of a family in some cases—the work that they have on a farm is very uncertain, and their usual action is to leave the country and go into the towns. I should like to ask the minister if something could not be done for that class of settler who would, if we could keep him, make a very excellent farmer, because they know how to farm, and they have been hired on farms for a good many years?

Mr. ROBB: If my hon. friend means a system of government advances, I say no.

Mr. SPENCER: Possibly a sympathetic system of rural credits might help.

Mr. STEWART (Leeds): Could the minister give the names of any societies or associations who may be carrying on with a view of earning grants to be made pursuant to order in council?

Mr. ROBB: I have already put that on record.

Mr. GARDINER: Why is it necessary to give these organizations money?

Mr. ROBB: Both the Salvation Army and the Scottish Society have been doing good work. The Salvation Army gives after-care for four years to those whom it brings in, and if they are not satisfactory it takes them elsewhere without expense to the country.

Mr. CLARK: Is it contemplated to grant moneys to any other society by order in council?

[Mr. Robb.]

Mr. ROBB: I have nothing in mind.

Mr. CLARK: Why make it necessary to have orders in council for granting moneys to these societies? Why not have these amounts in the estimates so that it would be obvious to whom the money was given?

Mr. ROBB: We are simply following the procedure that has been pursued for the last twenty-five or thirty years.

Mr. GARDINER: Has the minister put on Hansard already the various sums given to these organizations in the last fiscal year?

Mr. ROBB: Last year we paid the Salvation Army $25,000, and we made a payment also to the Scottish Society.

Mr. GARDINER: Was anything paid to any other organization?

Mr. ROBB: No.

Mr. JACOBS: Is the minister aware that the government is really running two immigration departments, one a regular department under the Minister of Immigration, and the other an Immigration and Colonization department in connection with the Canadian National Railway Company, which is of course under the control of the government? Could there not be some co-ordination to eliminate duplication? The cost of immigration in connection with the Canadian National Railways is nearly $800,000 and the vote for immigration and colonization under the department of government at present under review amounts to something over $3,000,000. Is it not possible to harmonize the work by eliminating one of these departments? I am sure there must be some duplication. I have in mind the appointment of Dr. Black, who up to a year or so ago was the deputy minister of this department. He resigned and was immediately appointed to a position in the immigration department of the Canadian National Railways. His salary as Deputy Minister of Immigration was $6,000, but he was such a valuable man that Sir Henry Thornton gobbled him up at $15,000.

Mr. GRAHAM: Ten thousand.

Mr. JACOBS: Well, $10,000. It would have been a simple matter for us to have asked him to continue to hang his hat and coat in this department instead of giving him $4,000 a year for moving.

Mr. POWER: And pay another man to replace him.

Mr. JACOBS: We have an excellent man in the person of Mr. Egan who is one of the most capable civil servants we have. I cannot

understand why we should retain this other gentleman at $10,000 when we could have had his services at $6,000. And I do not know whether we want him at all. Do we want two departments of immigration, both striving for the same end? The Canadian National Railways are attempting by every possible means to bring people into the country, but there are in the department over which the minister (Mr. Robb) presides rules that prevent him from encroaching on the work of the other department. So there is a merry war between the two. I should like to see one of them eliminated so that we might know where we were going. Sir Henry Thornton in his annual report made the suggestion that in view of the great importance of immigration to the country the government might very well consider the question of naming a commission to deal with the whole immigration problem. He suggested that the commission should be on somewhat similar lines to the railway commission. I am not prepared to say whether this suggestion should be accepted or not. I suppose the object was that the immigration department of the Canadian National Railways and the Department of Immigration under the minister might bring their differences before the commission to have them settled. Whether that was in the mind of Sir Henry Thornton or not I do not know. But it does seem to me that that we might very well consider the question of appointing a standing committee of this House to deal with immigration problems. As I said on the budget, we have departments dealing with fish and fish culture, with mines, forests and all sorts of things, animate and inanimate.

Mr. LAPOINTE: Insects.

Mr. JACOBS: The Minister of Justice, forgetting that the Minister of Agriculture (Mr. Motherwell) is immediately behind him, suggests insects. We are dealing with these too; we are dealing with bugs, onion maggots and other allied matters through select standing committees. But surely immigration is something that should occupy a sufficiently dignified position to demand from the government similar treatment. If we had had an immigration committee such as I suggest, we should have been deprived of the highly diverting evening we have had to-night, because all these matters could have been referred to that committee. Certainly, the minister would gain a great deal of useful information and assistance through such a committee, and now that his time is so much taken up in the Department of Finance, I am sure we are willing to lend him every assistance possible. I suggest therefore that the government consider the question of appointing next year a select standing committee on Immigration and Colonization. I could say a great deal more on this question. Indeed, I feel somewhat like the poet—I would that my tongue could utter the thoughts that arise in me. The government is fully aware of my attitude on this question, and nothing that has been done since I have spoken on it has caused me to change my views, nor do I think that anything which the government may do in future will bring about such a change.

Mr. STEWART (Argenteuil): Would you have the member for Bow River on that committee?

Mr. JACOBS: The member for Bow River (Mr. Garland) would probably do fairly well if he were taken in hand by intelligent people and made to see that after all there is another point of view besides his own. I am free to confess that he impressed me towards the close of his remarks when he said that he had no objection whatever to allowing physically healthy people to come to the country. I must reckon that unto him for righteousness. I did not know that these were his views, and I am willing to overlook many of the things he said in view of that conclusion. The hon. member for York-Sunbury (Mr. Hanson) also said that he would allow every white and healthy person to come to Canada; that would be part of his policy. Now, I find that his leader two or three days ago made a rather different statement in answer to a question put to him by the hon. member for Centre Winnipeg (Mr. Woodsworth). At page 3806 I find the following:

> Mr. Woodsworth: As long as we have anything like an open door immigration policy, how is the Canadian worker being protected?
>
> Mr. Meighen: Well, I am not in favour of an open door immigration policy, any more than I am in favour of an open door trade policy.

We cannot, I fear, expect very much from the party immediately opposite me.

Mr. MANION: Surely my hon. friend is not in favour of an open door immigration policy? That would mean admitting everybody—good, bad or indifferent, healthy or ill.

Mr. JACOBS: My policy is known both to the House and to the country. The right hon. gentleman went on to explain himself. He said:

> Certainly you cannot allow everybody into this country; nobody ever suggested it. The cheapest labour of the world we ought to bar entirely, and we do bar it. I would be the last to suggest that any other policy be adopted.

Mr. MANION: He was referring to yellow labour.

Mr. CLARK: My recollection of my leader's speech is that he was referring to oriental labour. Would my hon. friend (Mr. Jacobs) be in favour of an open door immigration from the Orient?

Mr. JACOBS: Absolutely not. I have stated time and again that I am in favour of every healthy white person coming to this country. That is my policy. The leader of the opposition did not speak about oriental labour. Before he was interrupted by the hon. member for Centre Winnipeg he said:

> It is possible to give preference and do so without invading the just rights of the Canadian worker. It must always be a case of Canada first, and until we are ready to stand up and proclaim Canada first, and act Canada first, then we may just as well resign ourselves to this sliding-back process which characterizes our drift to-day.

Mr. CLARK: The leader of the opposition referred to the cheapest labour of the world. And where does that labour come from? It comes from China and Japan.

Mr. JACOBS: We have not that labour now.

Mr. CLARKE: We have it at the coast.

Mr. JACOBS: Now, there seems to be no party at all which is ready to accept my policy, so I will start a party on my own account and look for recruits. And the first one whom I shall recruit into that party is the hon. member for Bow River—on the theory, of any port in a storm. I would start with him as a nucleus and we could secure other equally worthy supporters.

Mr. GRAHAM: In answer to the question whether there are two immigration departments under the government, I would say yes and no. The Canadian Pacific Railway and the Canadian National Railways each have an immigration department, and the government of Canada must take care not to be allied with either. It would not be fair to do that.

Mr. JACOBS: Why not merge the two departments under the government?

Mr. GRAHAM: I am coming to that. These three immigration departments are endeavouring to get closer together and work in greater harmony than they have done before, and there has been a good deal of co-operation with a view to reducing the expenditures under each of the departments and obviating any duplication.

Mr. HOEY: Has the Canadian National Railway Company an immigration office in London?

[Mr. Jacobs.]

Mr. GRAHAM: It has an immigration ogganization in London which has control of European immigration so far as Canadian National propaganda is concerned. Each department, I can assure the committee, is doing its best to cut out overlapping and reduce expenses.

Mr. GOOD: In view of the lateness of the hour, I would suggest that if this particular item were allowed to pass we might be given the assurance that we should be able to discuss the general policy of the department or some other item.

The CHAIRMAN: Item 64 is reserved for that purpose.

Mr. ROBB: There will be a small item in the supplementaries, and the discussion might take place under that.

Mr. MANION: I am agreeable to the item for $1,350,000 being adopted, but I do not think that the empire settlement scheme has been discussed. If we were sure of being able to discuss these questions we might let the item pass and go home.

Mr. ROBB: We have discussed items 62, and 63 and 64 to a large extent.

The CHAIRMAN: On the understanding that general questions may be discussed on item 64, is it the pleasure of the committee to adopt items 62 and 63?

Some hon. MEMBERS: Carried.

Items 62 and 63 agreed to.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 1.25 a.m. (Friday.)

Friday, June 12, 1925

The House met at three o'clock.

ROYAL ASSENT

Mr. SPEAKER: I have the honour to inform the House that I have received the following letter:

Ottawa, June 11, 1925.

Sir,—I have the honour to inform you that the Right Hon. F. A. Anglin, acting as the Deputy of His Excellency the Governor General, will proceed to the Senate chamber at 5.45 p.m. on Friday the 12th inst., for the purpose of giving the royal assent to certain bills.

I have the honour to be, Sir,
Your obedient Servant,

JAMES F. CROWDY,
Deputy of the
Governor General's Secretary.

REPORT

Eighth report of the select standing committee on Miscellaneous Private Bills.—Mr. McGiverin.

VOTE 298, UNFORESEEN EXPENSES

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, yesterday during consideration of the supply for the Department of Finance, my right hon. friend the leader of the opposition (Mr. Meighen) desired information as to the expenditure under vote 298. I find that a statement of these expenditures was tabled at the beginning of the session, the total then shown being $57,323.45. Since that time there have been the following additional expenses on account of this vote:

Expenses in connection with the visit of the treasurer of the Commonwealth of Australia and party	$1,711 67
Clarkson Gordon and Dilworth, for disbursements and services rendered in connection with the preparation of the report on the affairs of the Home Bank of Canada	1,238 00
Herbert Thompson, to cover loss of stolen boat and damages to a canoe	10 00
Compensation for injury sustained at Elmira, Ont., post office	100 00
Expenditure in connection with entertaining the Japanese training squadron on their visit to Victoria and Vancouver, February, 1925.	831 52

I will send this statement over to my right hon. friend for perusal and return to me, it being my copy.

OCEAN SHIPPING RATES

REPORT ON, AND ACTION CONCERNING, NORTH ATLANTIC STEAMSHIP COMBINE THE PETERSEN CONTRACT

Mr. WILLIAN DUFF (Lunenburg): Mr. Speaker, in the absence of the hon. member for Brome (Mr. McMaster) I beg leave to present the sixth report of the special committee appointed to consider the resolution giving the government of Canada control over certain ocean rates.

The report is as follows:

The special committee to whom was referred the resolution of the House of Commons of date March 20, 1925, beg leave to present the following as their sixth and final report.

Your committee have held forty-six meetings, have heard thirty-six witnesses and have had produced before them a large number of documents of which one hundred and two were filed as exhibits.

Mr. Gordon W. Scott, C.A., has examined and reported upon the figures supplied him by the steamship companies and has also made certain test examinations of the books of the Canadian Pacific Railway steamships. The committee have had before them Mr. H. J. Symington, K.C., while the conference lines were represented by Messrs. A. W. Atwater, K.C., G. H. Montgomery, K.C., E. P. Flintoft, and C. Russell McKenzie; while Mr. H. H. Donald appeared on behalf of Sir William Petersen.

Without attempting to fully review the evidence which is produced herewith, it may be noted that the findings of the special committee on Agricultural conditions, which sat during the session of 1923, to the effect that a conference or combine of steamships trading in the north Atlantic existed, and that such conference or combine fixed rates, has been amply borne out in the course of the inquiry held by your committee.

Indeed, on the present occasion the steamship companies admitted the existence of such a rate-fixing conference, coupling their admission with the contention that the conference system was of public advantage, and that the rates charged under it were fair and reasonable to the shipper; indeed, contending that they were at this time too low to give an adequate return to the steamship owners.

Be that as it may, the following facts should be noted:—

Although fairness demands that it be admitted that operating costs of all businesses have greatly increased over pre-war levels, yet the increases which have been brought before us in the transportation costs of certain commodities show certain of these altogether out of line. Thus, although wheat and flour, constituting a preponderating proportion of the exports from Canadian ports, are now carried at rates closely approximating those which prevailed eleven or twelve years ago, although certain other rates show increases of 25 per cent, of 53 per cent, of 76 per cent, and others approximately 100 per cent, others again present increases which are startling. Thus, evaporated apples in boxes have increased 150 per cent; binders, cultivators, mowers, reapers, threshing machines, 249 per cent; hardware, 262 per cent; organs, 400 per cent; while packed meats, bacons, hams, etc., show an increase of 119 per cent; butter in ordinary storage of 170 per cent; butter in refrigerators, 181 per cent; eggs in ordinary storage, 214 per cent. The real reason for such extraordinary differences between the rates charged for grain and flour and those charged for other products above mentioned appears to lie in the fact that tramp competition is an important factor in the fixation of rates by the conference in regard to such products as grain and flour, while in respect to package freight, which as a rule cannot be shipped in entire cargoes, the liners in the conference enjoy a quasi-monopoly. The main object of this quasi-monopoly is to raise the level, or prevent the fall, of rates by united and uniform action, as admitted by the conference lines themselves.

The large shipper of grain or flour may and does employ tramp steamers to take entire ship loads of these commodities from north Atlantic ports to Europe or elsewhere. The shipper, be he large or small, of leather, butter, packed meats or manufactured articles, rarely has the relief which the tramp affords open to him, and therefore must pay the rates exacted by the conference lines, who, it is only fair to state, in return give to the exporter regularity of sailings and dispatch such as the tramp does not afford.

Your committee spent a considerable part of their time in the examination of the question as to whether the rates charged by the conference lines were higher than they should be, as well as into the contention of the steamship companies that the rates at present in force and obtaining for the past two years, did not give them an adequate return on their investment. The auditor of your committee, upon figures supplied him by the steamship companies, presented a statement showing that in the year 1923 the cargo steamers engaged in the North Atlantic trade, before charging lay-up expenses and depreciation, made a loss of $929,963; while their passenger-cargo steamers in the same year, before charging lay-up expenses and depreciation, showed an operating credit balance of almost five and one half millions dollars; while during the next year the operating credit balance on the cargo steamers, before charging lay-up expenses and depreciation, was $168,781; while in respect to the passenger-cargo

steamers for that year such balance, before charging lay-up expenses and depreciation, was $2,398,524. Upon the figures submitted, and taking the two years' operations together, the earnings realized would not be sufficient to pay an adequate percentage on the capital invested, together with proper allowances for depreciation. The differences of operating expenses brought out by Mr. Scott in his report (Exhibit No. 87, beginning at page 897 of the printed evidence) were as follows:—Port charges varied from the maximum of 48.98 per cent to a minimum of 33.6 per cent of the total earnings; fuel varied from 28.7 per cent to 8.6 per cent; insurance varied from 10 per cent to 2.5 per cent; repairs varied from 9.2 per cent to 2.7 per cent; management, commission and brokerage, general expenses, etc., varied from 16.9 per cent to 6.8 per cent. These differences may be due in part to different modes of book-keeping pursued by the various conference lines, but may also be due to the presence in the trade of ships differing so widely in cost of operation as to suggest the probability that certain of the ships either through age or otherwise may be unfitted for the trade.

Without questioning in any way the good faith of the lines, it must be remembered that Mr. Scott in arriving at his figures had to depend, to the extent of about 95 per cent, upon figures submitted to him by the lines, without an opportunity of verification, except in respect to the Canadian Pacific steamships in connection with which certain test examinations were made which were found satisfactory. It is of interest to the government and people of Canada to know exactly why such variation should exist in the operating expenses of the various lines serving Canadian ports and further investigation is desirable, if not imperative along these lines.

In the course of the examination of Captain Hocken, Master of the ss. Rio Dorado, one of Sir William Petersen's corrugated ships, and in the evidence of Sir William Petersen himself, strong claims were made as to the efficiency and economy of operation of such ships. It is submitted, however, that one voyage, or rather the result of part of a voyage from Hull to Montreal and thence to Hamburg, cannot be taken as sufficient evidence on which to base a definite conclusion as to the superiority of Sir William Petersen's corrugated ships over vessels of similar size but of usual construction. Apparently expert opinion has as yet not been thoroughly satisfied as to the advantages offered by this mode of construction.

It would appear, therefore, wise to obtain further information as to the earnings of the conference lines and their cost of operation, as well as similar data concerning Sir William Petersen's ships before attempting to pass judgment upon the contract referred to this committee. It would therefore appear advisable that a further investigation be made into the situation in order that there may be presented to the government of Canada a true and exact representation of the situation as regards the earnings and operating expenses of the north Atlantic shipping trade, and that such further investigation should be made as may be necessary to verify the correctness of the claims made on behalf of Sir William Petersen's ships, and for this purpose that their earnings and operating expenses be accurately determined.

Meanwhile your committee feel that the situation demands that something should be done for the relief of shippers who find their trade seriously hampered through unreasonable ocean freight rates. To such persons it is no consolation for them to learn that the conference lines state that they are not making money and that the rates charged by them are said to be due to the desire of the steamship companies to recoup themselves for losses incurred in the carriage of other products below economical rates. High freight rates may be due to entirely different causes such as the expense of operating ships unfitted by age or conversion or otherwise for the trade, as has already been suggested. The fact that the west bound traffic offers cargoes on the whole of less than 25 per cent has, of course, a tendency to raise east bound rates.

Various commissions and committees who have looked into this subject have expressed themselves as being alive to the danger to the public interest which arises through an uncontrolled monopoly.

If the conference system is to be tolerated—and effective action to restore open competition appears only possible by the united action of all the maritime powers of the world—some means of control must be sought.

The question of how such control is to be secured is not easy of solution. The placing of unduly onerous burdens upon ships trading to Canada might drive them to other ports. The legal power of Canada to legislate in respect to ships other than of Canadian registry is at best doubtful. It is to be remembered, however, that the foreign trade of Canada is of large actual, and of very great relative importance. Few nations have greater interest than ourselves in the obtaining of fair and reasonable rates for ocean carriage of our products to the markets of the world. The growth of our country in no small measure depends on our success in this direction and few other than ourselves are more interested in this growth than the steamship companies who now trade to our Canadian ports.

Your committee, therefore, in view of the foregoing and before pronouncing themselves either favourably or unfavourably on the contract would sum up their recommendations as follows:—

I. That the examinations into the books of the conference lines by Mr. Gorden W. Scott, C.A., be continued in Britain and elsewhere in order to determine whether the rates now charged are excessive, to explain discrepancies in operating costs, to verify the figures submitted and in short to prepare an accurate representation of the north Atlantic shipping situation, the conference lines having declared their willingness to submit to such examination.

II. That he also be instructed to make like examinations into the books kept by or in connection with the ships of Sir William Petersen who has declared a like willingness, and that he should report his conclusions to the government on both phases of his enquiry.

III. That Sir William Peterson should be given an opportunity, if he so desires, of substantiating the claims made by him in respect to his ships.

IV. That to this end tests should be made of the actual performance of these ships in the north Atlantic Canadian trade under careful and expert supervision both of the earnings, operating costs, managerial expenses and performance at sea and in port of such ships.

V. Inasmuch as it is in the public interest that these tests should be made, and that they should be effective and fair to all parties, Sir William Petersen should be given the opportunity to demonstrate the economies of his ships under conditions which will ensure freedom of competition in the obtaining of cargo.

VI. That all members of the north Atlantic or other conferences trading to Canadian ports be required to file with the Board of Railway Commissioners all conference agreements, freight rate schedules, and such other information as may be desired, and that the board be constituted a tribunal for the hearing of complaints, and the recommendation of maximum rates.

It is to be noted that publicity is in itself a strong remedial instrument for the correction of in-

justice and unfairness. Great transportation companies, strenuously competing in respect to service for Canadian overseas trade, cannot afford to flout Canadian public opinon. It cannot be doubted that a great institution almost national in character, such as the Canadian Pacific Railway, should and it is believed would loyally comply with the recommendations of the Board of Railway Commissioners. Such action, coupled with similar action by the Canadian Government Merchant Marine would almost inevitably force the other lines trading to Canadian ports also to comply, and thus a reasonable effective measure of control might be looked for with some considerable degree of confidence.

VII. In order to ensure harmony in the control of shipping throughout the British Empire and that Canadian autonomy in all matters pertaining to shipping within the territorial waters of Canada be preserved beyond peradventure, your committee beg to recommend that the alleged conflict between the Merchants Shipping Act and the British North America Act shall be the subject of conference between the Canadian Government and the British Government at an early date.

VIII. It appeared in the course of your committee's investigation that a ship-owner desiring to obtain British registry for his ship need only present a Lloyd's certificate in order to establish the seaworthiness of his vessel, but that if he desires to obtain Canadian registry the ships must undergo an examination or survey by the Canadian government as well as that conducted by Lloyd's or some similar institution. Thus a very substantial and altogether unnecessary expense is placed upon the ship-owner desiring to obtain Canadian registry for his vessel and your committtee recommend that the Canadian regulations should be amended to remove this disadvantage.

IX. It would also appear that co-operative action among shippers to retain space would effect a substantial reduction in freight rates. This is exemplified in respect to cold storage for butter. The conference lines who charge almost as much to carry butter from Montreal to Liverpool as they do from New Zealand to Liverpool complain that their refrigerator space is made full use of for only a comparatively short part of the season, and that were they assured of adequate demands for their space, they could substantially cut the rate. It would appear that co-operation between shippers who could take firm a large portion of the refrigerated space offered, would obviate the difficulty in which the lines find themselves, and should greatly inure to the benefit of both parties. This solution would appear to be open to the produce exporters of this country, were the necessary faith in each other essential to successful co-operation present.

X. Your committee further recommend that the order of reference, reports, proceedings and the evidence given before the committee, together with a suitable index to be prepared by the clerk of the committee, be printed as an appendix to the Journals of the House of the present session and that 750 copies in the English language and 250 copies in the French language be printed in blue book form for distribution.

Your committee submit herewith for the information of the House a copy of their proceedings, the evidence given before the committee and also certain documents filed with the committee.

All of which is respectfully submitted.

Andrew R. McMaster,
Chairman.

Mr. MEIGHEN: I have listened carefully to the report but it does not seem complete; the name of Mr. Preston is not mentioned.

PEIGAN INDIAN BAND

Mr. G. G. COOTE (Macleod): I desire to present a petition signed by Philip Big Swan and eighty other members of the Peigan Indian Band, praying for the cancellation of a certain lease covering a large part of the Peigan reserve granted to Hon. A. J. McLean against the vote of the Band.

PRIVATE BILL

REFUNDING OF ADDITIONAL CHARGES

Mr. GEORGE BLACK (Yukon): I move, seconded by the hon. member for York-Sunbury (Mr. Hanson), that in accordance with the recommendation contained in the eighth report of the select standing committee on Miscellaneous Private Bills the additional charge made on Bill No. 164, for the relief of Walter Thomas Pratchett, be refunded.

Hon. J. A. ROBB (Acting Minister of Finance): In the interests of the Department of Finance I must again object to this motion as I did some weeks ago to similar resolutions. It seems to me that we should determine sooner or later to what extent we are to go in refunding these charges to people who come before parliament asking for legislation and, when they are not successful, expect the country to reimburse them.

Hon. H. B. McGIVERIN (Ottawa): These charges are not ordinary fees. A fine is levied even when the petition is a day late in being presented, and the charges are in the nature of fines. The committee felt in two or three cases that they were fully justified in returning the charges to the applicants, and while I do not recall the exact circumstances in relation to this particular case I know that the reasons were sufficient to warrant the recommendation.

Motion agreed to.

BUSINESS OF THE HOUSE

MORNING SITTINGS—FURTHER LEGISLATION

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That on and after the 16th June instant, until the end of the present session, the House shall meet at eleven o'clock in the morning of each sitting day, and that in addition to the unsual intermission at six o'clock p.m. there shall be also an intermission every day from one to three o'clock p.m.

Right Hon. ARTHUR MEIGHEN: (Leader of the Opposition): This is the usual motion

and there is no special objection to it, although I really do not see that it is very necessary this year. However, it should not be passed until all government legislation is down, which is not the case. I suggest that the motion stand awaiting the bringing down of all further legislation. If everything is already down I shall have no objection to the motion taking effect on Tuesday.

Mr. MACKENZIE KING: There is no objection to having it stand. As I intimated yesterday, all legislation is now down, as far as I am aware, with the exception of supplementary estimates and one or two very minor bills.

Mr. MEIGHEN: The Prime Minister is forgetting about that rural credits matter that is on the conscience of the hon. member for Bow River (Mr. Garland).

Mr. MACKENZIE KING: No, I am not forgetting it; I spoke of it yesterday. I said, with the exception of the measures I referred to yesterday.

Mr. MEIGHEN: I think the Prime Minister stated there were one or two minor matters to be dealt with.

Mr. MACKENZIE KING: I should say there is a small amendment that the Minister of Customs and Excise has—I think to give him power to make regulations under the Smuggling Treaty—and also an amendment to the Customs Act to give him some power in connection with the issuing of tobacco stemming licenses.

Mr. MEIGHEN: And the matter of rural credits?

Mr. MACKENZIE KING: Yes.

Mr. MEIGHEN: We need to see the rural credits legislation brought down.

Mr. MACKENZIE KING: I should not like to close the door absolutely to some small amendments that may be needed to be introduced and discussed between now and the end of the session; but I think I can safely say that there will be nothing that will be controversial in any sense.

Mr. SPEAKER: Shall the motion carry?

Mr. MEIGHEN: The motion stands in the meantime.

Mr. SPEAKER: Motion stands.

PRIVATE BILLS

FIRST READINGS

Bill No. 186, from the Senate, for the relief of Frederick Ethelbert Shibley.—Mr. German.

Bill No. 187, from the Senate, respecting The Canadian Pacific Railway Company.—Mr. Hopkins.

Bill No. 188, from the Senate, for the relief of Alfred Percival Selby.—Mr. Clifford.

Bill No. 189, from the Senate, for the relief of Charles Thomas Bolton.—Mr. Duff.

Bill No. 190, from the Senate, for the relief of Ada Durward.—Mr. Clifford.

Bill No. 191, from the Senate, for the relief of Edward James Hogan.—Mr. Hanna.

Bill No. 192, from the Senate, for the relief of Roger Alexander McGill.—Mr. Bowen.

Bill No. 193, from the Senate, for the relief of John Perron.—Mr. McKay.

Bill No. 194, from the Senate, for the relief of William Albert Everingham.—Mr. Bowen.

THE GOVERNOR GENERAL

HIS EXCELLENCY UNABLE TO ACCEPT A SECOND TERM

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, it is now close to the end of this session, and before we meet again the term of the duties of the present Governor General will be close to expiration. There has been a very general feeling on the part of the people of Canada that it would meet with almost universal approbation if this term could, with the approval of His Excellency, be extended. I bring the matter to the attention of the government, and I ask if they are in a position to make any statement to the House on the subject, assuring them that any statement of a favourable nature will be very welcome on this side of the House—I believe on all sides—and by the country in general.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Some little time ago I intimated to His Excellency the Governor General, in much the same terms as the right hon. leader of the opposition has just used, that I was quite sure that irrespective of political affiliations the people of Canada would greatly welcome an announcement of the extension, and preferably the renewal of His Excellency's term, as Governor General of Canada. His Excellency has considered the matter very carefully, but I regret to say has intimated to me that he feels he should not consider having his term extended. In speaking with His Excellency, I mentioned of course, that if he could see his way to remain longer in Canada, the government would like to present to the British government the intimation that it would be most welcome to the people of Canada to have His Excellency's

term renewed. Unhappily for reasons which His Excellency regards as paramount, he feels that nothing short of quite exceptional public need should permit him to consider remaining beyond the term for which he has been appointed, which term, I think, expires in August of next year. Perhaps I should say to the House that in expressing his regret at not finding it possible to consider remaining longer in Canada, His Excellency wished me to convey to the members of the government, as I assume he would also wish me to convey to the members of this House, how deeply touched both he and Her Excellency have been by this expression of the favour and good-will of the people of Canada.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. W. C. GOOD (Brant): Could the Minister of Labour give us any additional information which he has secured since yesterday concerning the labour disturbance in Cape Breton?

Hon. JAMES MURDOCK (Minister of Labour): Mr. Speaker, we have no further definite information other than hon. gentlemen would read in the morning papers and as stated to the House yesterday.

Mr. WILLIAM IRVINE (East Calgary): I should like to ask the Minister of Labour if he knows whether troops have been sent to the mining area, and whether they have been sent in order to protect the men against the police of the company, or for what purpose they have been sent?

Mr. MURDOCK: Our understanding is that the troops were asked for by proper authority in the persons, I understand, of justices of the peace ,or judges in Cape Breton, applications being made to the Attorney General of Nova Scotia who requisitioned troops from the garrison at Halifax, and these troops left last evening for the scene of the riots. I do not know that I could give my hon. friend any further information except to assume that troops were requisitioned for the purpose of maintaining peace, order and good government in the mining area. That is the presumed purpose of the requisitioning of troops.

Mr. SPENCER: Will the Minister of Labour tell us who will be called upon to pay the expense of the troops being sent to Cape Breton.

Mr. MURDOCK: My hon. friend having been in the House during the last two or three sessions will recall the change in the law which requires that the province shall, in the case referred to, be required to pay the expense of the troops.

Mr. MEIGHEN: Am I to understand from the minister that the troops of Canada have actually gone to Cape Breton without the government being so much as notified?

Hon. E. M. MACDONALD (Minister of National Defence): For the information of my hon. friend what has occurred has been that the attorney general requisitioned the district officer commanding in the province of Nova Scotia for the troops under the act which we passed last session. The district officer has communicated with the adjutant-general and has advised him to the effect that he was acting under the orders of the attorney general.

INQUIRY FOR RETURNS

On the Orders of the Day:

Hon. A. B. COPP (Secretary of State): In reference to the remarks of my right hon. friend the leader of the opposition (Mr. Meighen) on the orders of the day yesterday in regard to the delay in bringing down certain returns I have drawn the attention of the officials of the department in charge of this work to his remarks and I am informed that a large number of the returns asked for will be very voluminous and will necessitate a great deal of work. I have asked the different departments to expedite this work as rapidly as possible and I hope before the end of the session they will all be brought down. I would remind my hon. friend that four of the returns he mentioned yesterday as not having been brought down have already been laid on the table.

Mr. MEIGHEN : What ones?

Mr. COPP: The following returns were tabled in the House:

Reference No. 99, Mr. McQuarrie, April 27, 1925, Re: Number of civil servants who are eligible to come under the provisions of the Civil Service Superannuation Act 1924. Presented in House of Commons May 29, 1925.

Reference No. 103, Mr. Doucet, April 27, 1925, Re: A copy of all correspondence in connection with the appointment of the new postmaster at St. Ignace, electoral district of Kent, New Brunswick. Presented in House of Commons, May 27, 1925.

Reference No. 117, Mr. Stevens, May 11, 1925, Re: Statement made out by Messrs Wilson and Wilson in October 1924 as auditors for Vancouver Harbour Commissions, etc. Presented in House of Commons June 11, 1925.

Reference No.120 Mr. Black (Halifax) May 18, 1925, Re: How much money has been expended by the National or Quebec Battlefields Commission in monuments and historic sites in Quebec. Presented in House of Commons May 28, 1925.

FRUIT ACT AMENDMENT BILL

SENATE AMENDMENT

Hon. W. R. MOTHERWELL (Minister of Agriculture) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 117 to amend the Fruit Act.

He said: The provision the Senate has inserted is simply following the present practice, and although my attention was called to the fact that the official title "Horticultural Council of Canada" is not quite correct, I think it will be all right. I have no objection to accepting the amendment.

Mr. GROTE STIRLING (Yale): I should like to repeat what I said yesterday and to state the reason why I objected to the amendment being made. It seems to me a most extraordinary thing that we should be consenting to an amendment in this House which actually refers to an association by a wrong title. It might result in one of two things; either the authorities concerned might ignore the body called The Horticultural Council of Canada because it does not exist or else they might consult that body, describing it by its correct name, and afterwards there might be trouble in connection with it. I suggest that the amendment be not concurred in. My second reason is that it is usual and the minister has in the past consulted both the Fruit Growers' Association and the Canadian Horticultural Council before bringing in such a recommendation. I do not therefore see any necessity for the minister to be formally instructed to again consult that body. It might mean that it would be necessary to call into session that particular body because it really only meets once a year. It is necessary that quick action should be taken, and quick action will not be obtained if this amendment is adopted.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Although I do not claim to be as familiar with the details of these various organizations, as the hon. member for Yale (Mr. Stirling), it strikes me as a very peculiar amendment, especially coming from the upper house. That body is distinguished for the care which it takes from a legal aspect, especially in the revision of legislation. But to insert a provision such as this in a statute seems to me most extraordinary. It says, "the minister after consultation with the Horticultural Council of Canada"—something that has not the slightest legal effect. It is especially absurd if the hon. member for Yale is correct in the statement that there is no Horticultural Council of Canada. I think it must have slid through the Senate rather loosely, and I suggest to the minister that he should take it up again. Why should he insert into legislation the provision that the minister should consult the Horticultural Council of Canada? It would have had some meaning if it had said "with the approval of the Horticultural Council of Canada", but as it stands it is absurd. I am sure the House will agree with me in that.

Mr. MOTHERWELL: All the six bills that went through this House dealing with agriculture have been adopted by the Senate with this one simple amendment, and it would look a little bit pernickity on my part if I began to split hairs as to the name of the body. If we call them the Horticultural Council of Canada, they will surely come. I would not like to suggest an amendment to this amendment. Everybody knows what they are. We always consult them. The Senate has inserted in this bill an amendment which asks that we shall do what we always do. They could not ask for less if they asked anything at all, and I am ready to comply with a reasonable request of that kind, especially when I remember the bills which have been passed in this House and have been slaughtered entirely in the Senate. I feel grateful that this small amendment has been made, but now to begin to cheesepare and to say that this is not exactly the technical name, I think would not serve any useful purpose. If anybody will suggest the right name I will not object to the change. But I approve and concur in the amendment made by the Senate. If anybody thinks they will not come for this name, let them come for the other name. I have not the official name with me. Everybody in Canada will know what the Horticultural Council of Canada is. I think the official name is "Canadian Horticultural Council". Surely we are not in a hurry to finish the session when we can quibble on such differences as this.

Mr. T. W. CALDWELL (Victoria and Carleton): I am surprised that the minister is ready to accept this amendment, because I fear it is going to get him into trouble. For instance, when it comes to amending the Root and Vegetable Act I shall insist on a consultation with the New Brunswick Potato Growers' Association before any changes are made—that is, proceeding on the principle which the minister adopts in this amendment. And when it comes to the grading of eggs and any amendments relating thereto, the egg circles of Prince Edward Island would

have to be consulted before anything was done. I think it is a ridiculous and impracticable amendment.

Mr. MOTHERWELL: It is practised now.

Mr. CALDWELL: It may be practised. But the minister brought down this bill to get authority to make special grades where no grades existed. It will be an emergency measure, and that is why we passed the bill. When the crop is harvested, if there are any unusual circumstances in connection with it the minister will be able to establish grades that do not now exist under the law. Now, while there is a Canadian Horticultural Council, there is no Horticultural Council of Canada. The name is wrong, but I do not think that is a very material matter. But I believe this association meets only once a year and that the members of it are scattered all over Canada. How would the minister proceed to consult this organization if he needed something done in a hurry? Would the government pay the expenses of calling the members of the council from various sections of Canada to meet at Ottawa in order that he might consult them? Or will he wait until the emergency has passed and the necessity of getting the grades has passed, in order that he may consult them at their regular meeting? If the amendment is not accepted the Senate will surely reconsider their request in this matter. I do not want to hold the bill up, I want to see it go through; but I want it to go through in such a way that the minister will be able to take some action on it. To my mind he might better withdraw the whole thing than submit to this amendment, because it will prevent his doing anything in a case of emergency.

Mr. MOTHERWELL: I assure my hon. friend that he will have no trouble in the matter at all.

Mr. SPEAKER: Order. Is it the pleasure of the House to adopt the motion?

Sir HENRY DRAYTON (West York): Mr. Speaker, it does seem to me that the Minister of Agriculture (Mr. Motherwell) is defeating rather than attaining his object. We had understood that there was real necessity for this legislation, namely, in order that action might be taken definitely and quickly when occasion required. I do not personally know anything about the constitution of this society, but if, as the hon. member for Victoria and Carleton (Mr. Caldwell) has said, this society is represented in different provinces from coast to coast, I do not see how any quick action can be taken.

Mr. MOTHERWELL: The secretary lives in Ottawa.

Sir HENRY DRAYTON: The secretary is not the association. While the secretary may have been consulted by the minister in the past, that is merely a matter of common sense, not a matter of legal requirement. If this amendment is accepted the minister's hands are tied until he calls that meeting.

Mr. MOTHERWELL: No.

Sir HENRY DRAYTON: Well, the act says so.

Mr. MOTHERWELL: I am perfectly satisfied with it the way it is.

Sir HENRY DRAYTON: I will address myself then, to the Minister of Justice (Mr. Lapointe), I think he will agree that according to this amendment, before there is any action the minister must have a consultation or conference with the Horticultural Council of Canada—I do not think there is anything very much in the matter of the name. Suppose an emergency arises and there is real necessity for the legislation; if the minister acts without such conference or consultation with the Canadian Horticultural Council, his action is illegal and void. The secretary is merely the servant of the organization. If the wording was, "after consultation with the secretary," then something could be done at once and without expense, but as it is now the situation is as I have stated it.

4 p.m.

Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I admit that this is a most extraordinary amendment, for the reasons suggested not only by the hon. member for West York (Sir Henry Drayton) but also by the right hon. leader of the opposition (Mr. Meighen) when he pointed out that consultation does not mean approval. It seems almost absurd. The Minister of Agriculture (Mr. Motherwell) was of the opinion that he could get along with the amendment as it is, but I would rather suggest that some time be devoted to a consideration of the matter.

Right Hon. W. L. MACKENZIE KING (Prime Miniser): On other occasions conferences have been held between the two Houses on matters of this kind and an amicable arrangement has been arrived at. I should think that instead of debating the proposed amendment further we might ask for

a conference with the other House, and I am sure that a satisfactory arrangement can be made.

Sir HENRY DRAYTON: Carried.

Mr. Carroll moved the adjournment of the debate.

Motion agreed to and debate adjourned.

CRIMINAL CODE AMENDMENT

The House resumed from June 9 consideration in committee of Bill No. 147 to amend the criminal code—Hon. Mr. Lapointe—Mr. Gordon in the chair.

The CHAIRMAN: Sections one, two, three and four have been carried. The section to be considered is number five.

On section 5—Agricultural fairs granted partial exemption from penalty clauses.

Mr. GOOD: Has not this clause been objected to rather strongly by a deputation that interviewed the government some months ago?

Mr. LAPOINTE: Yes, there have been objections to the clause. On the other hand, it has been very strongly urged by the principal agricultural fairs, more particularly those which are subsidized by the Department of Agriculture, and that department has recommended the clause. As my hon. friend will see, the specially objectionable games are excluded.

Mr. MEIGHEN: Would the minister explain what those games are?

Mr. LAPOINTE: I think my ignorance of the punch board or coin table game is just as complete as that of my right hon. friend.

Mr. JACOBS: What is a shell game?

Mr. LAPOINTE: I think my hon. friend the Minister of Agriculture (Mr. Motherwell) since he has joined the United Church of Canada may be better qualified than I am to explain the nature of these games.

Mr. MOTHERWELL: Mr. Chairman, I am not very familiar with these objectionable games myself, but I think the essential element in all of them is that by sleight of hand on the part of the operator the innocent victim is pretty badly stung. Religious and charitable organizations are permitted however to raise money by means of wheels of fortune, this being a favourite method of retailing merchandise, the profit realized being about 33⅓ per cent, or about the same as that realized by any retail concern. This used to be the regular method adopted by our exhibitions for raising money, but they were deprived of it by the amendment which went through the House three sessions ago without comment. Evidently the House did not know what was involved in the change, and I am quite sure the Minister of Justice did not.

Mr. MEIGHEN: Did the Minister of Agriculture?

Mr. MOTHERWELL: I did not until I went back home after prorogation and the fair managers protested to me thunderously. They said, "Why didn't you let us know this change was going to be made?" I had to admit that I did not know myself.

Mr. CALDWELL: Will the minister state who sprung this on him two years ago?

Mr. MOTHERWELL: I do not know. It may have been a hot day; anyway the section went through without the slightest discussion. I remember that at the time the Minister of Justice had requests for a great many reforms, and apparently he could not grant the majority of them, but this seemed to him a somewhat innocent looking one, and, as I say, it went through the House without comment. Regardless of the ethics of raising money this way, I ask the committee if it was fair to treat our agricultural exhibitions in this manner. I have no compunction whatever in asking that this section be agreed to.

Mr. CALDWELL: Will the minister please explain just what methods of gambling will be allowed on agricultural exhibition grounds if this amendment goes through?

Mr. MOTHERWELL: The retailing of merchandise by means of wheels of fortune.

Mr. JACOBS: This looks to me like an attempt to legalize crime in the interests of agricultural associations. Is this another concession which the government is making to our friends the farmers?

Mr. MOTHERWELL: It is the regular practice in my hon. friend's own province.

Mr. JACOBS: That does not make it any better.

Mr. HANSON: Mr. Chairman, I have received representations from gentlemen associated with agricultural exhibitions in New Brunswick pointing out the necessity of this legislation if they are to finance their fairs. It is unfortunate, I think, that they have to have midways and wheels of fortune, but I cannot see that retailing merchandise by means of wheels of fortune is such a shocking

form of gambling, as suggested by certain people, that it should be put under the ban. I am going to support this section, because without this concession I think one of the main attractions of the exhibitions we have in our provincial towns will be taken away. The midway attracts as many people as the agricultural exhibition itself. I do not agree with the hon. member for George Etienne Cartier (Mr. Jacobs) that this form of gambling is simply legalized crime. My view is that, on the contrary, it is a perfectly proper method of retailing merchandise. At least, that is the excuse of the Minister of Agriculture, and I am going to rest my conscience on that excuse.

Mr. GOOD: Mr. Chairman, when this change was made in the law three years ago, I think I understood the Minister of Agriculture to say that there must have been some reason for introducing the measure.

Mr. MOTHERWELL: I knew nothing about it.

Mr. GOOD: I know that in the province of Ontario the midway feature of fairs has been under consideration for many years, and the allegation so frequently made that no fair could finance itself without a midway has been completely disproven. There must be at least a hundred and fifty fall fairs in Ontario that are being carried on very successfully without any midway features at all. I have heard it contended that the midway damages the fairs. I should like to know from the minister what fairs have requested this change.

Mr. LAPOINTE: I can only say that my office was besieged with people when that delegation came last year, claiming to represent all important agricultural fairs from British Columbia to Nova Scotia, and they represented that this provision was necessary to the success of their undertaking.

Mr. GOOD: Could the Minister of Agriculture give us any information on that point?

Mr. MOTHERWELL: The representations were made largely by those interested in what are known as the "A" and "B" fairs, numbering between forty and fifty and held all over Canada. These are the most difficult fairs to finance. They find their revenues cut into by $5,000 or $10,000, some of them more, and the practical question is how to replace that money. Is my hon. friend going to help out these fairs by making a contribution from his own pocket? Three years ago we increased the grants to these fairs by $1,250, but even that did not compensate them for the loss. These exhibitions are undoubtedly of great educational value from the point of view of agriculture. If my hon. friend can suggest any better solution of the difficulty, we shall be glad to hear it.

Mr. GOOD: I am not at present taking a definite stand against this legislation; I am seeking information. I have heard—I do not know how correct the information is—that the fairs asking for this legislation are very few in comparison with the total number of fair associations in Canada, and that they are almost entirely those of the large cities. Is it possible that these fairs are, after all, not agricultural fairs primarily—perhaps only secondarily? If the minister takes the position that these fairs must be given the right to finance themselves in this way in order to inveigle people in to see the fine stock—which is, after all, the side issue, the midway being the main fair—I do not believe that is wise policy. It was advocated years ago in Ontario with respect to the smaller fairs, and I think the argument was shown to be a fallacious one. However, if the minister states that there is real difficulty I do not know that I should definitely object to trying the legislation out, although I have grave doubts as to the outcome. Representations were made to me not long ago by the president of the United Farmers of Ontario against this legislation. I do not know whether the organization itself has taken any definite stand in the matter, but I understand that the Social Service Council of Canada has taken a definite stand against the amendment. I rose rather to seek detailed information in order that we might see what was the proper thing to do. I am doubtful of the propriety of passing this legislation.

Mr. McTAGGART: Will the provisions of this section apply to all agricultural fairs, regardless of whether they are in receipt of a grant from either the Dominion or a provincial government?

Mr. MOTHERWELL: Yes.

Mr. LEWIS: I am just a little surprised at the Minister of Agriculture fathering a provision of this kind. I am particularly surprised after his recent return from Toronto.

Mr. LAPOINTE: Does my hon. friend suggest that he is not surprised at my approval of the bill, while he is at the approval of my colleague?

Mr. LEWIS: I am not surprised at what any person would do who comes from the province of Quebec, because there they have

unrestricted freedom; they do not believe in prohibition of any kind. It is easy, therefore, to understand the psychology of people who come from that province. On the other hand, I do not like to think that the success of our agricultural fairs should depend upon an exemption from certain penalty clauses in the Criminal Code. I think we sometimes go too far in regard to restrictive legislation and that sometimes far worse evils creep in. But I would like to see people so much interested in agriculture and the products of agriculture that it would not be necessary to draw in those who are interested only in the games of chance. The only way agriculture can pay is to have it put on a fair footing; then we will not have to adopt these roundabout methods of inveigling money from the people in order to assist the finances of agricultural fairs. At the same time I do not see why the fairs in our small villages and towns should be seriously handicapped by not having these things, particularly when the people see them at ordinary exhibitions, and for that reason I am not going to vote against the amendment.

Mr. MICHAUD: Does my hon. friend think that the people of Quebec are not as moral as those of any other province? I understood him to say that they were taking a great deal of freedom.

Mr. LEWIS: No, I did not say anything about the morality of any people. I said I was not surprised at the attitude of the Minister of Justice, because in that province they believe in unrestricted freedom and not in prohibition of any kind.

Mr. LEADER: I have had some experience in connection with agricultural exhibitions and I know something of the difficulties they have to labour under. I want it distinctly understood that I am opposed to gambling in every shape or form.

Some hon. MEMBERS: Oh, oh.

Mr. LEADER: But I would not wish to impose my views upon others, and I know there are many people in Canada who do not think as I do with regard to gambling. I wish to support the Minister of Agriculture in this amendment, for this reason, if for no other: that these harmless games are now carried on in any case at every little fair in western Canada, against the law. I would rather see the law complied with than violated; therefore I think we should permit these games at the fairs, with the elimination of those of the most vicious kind. I do not suppose there is an hon. gentleman who would not like to take home a Kewpie doll if he could get it for twenty-five cents. Personally, I attend agricultural fairs because I am interested in the stock; but I realize that for every one, man or woman, who goes to a fair in order to see the stock there are ten who are interested in the other attractions. And as agricultural fairs must depend to a large extent on the gate receipts they must cater of necessity to those who go to be entertained. I should like to see the midway eliminated from our agricultural fairs. I believe that some of the larger fairs in the United States have now abolished it. The state of Iowa for example does not permit such forms of entertainment in connection with their fairs. The only sort of amusement that would appeal to me apart from the exhibits is the old-fashioned game of horse shoe, which is a considerable attraction at fairs in Iowa. I know that more than 1,000 people took part in that game at one fair in the state of Iowa last year and I am sure they went home satisfied with their entertainment.

I want to make sure that the same provision shall apply to the small fairs as well as to class "A" and class "B" fairs. The minister made the statement that the larger fairs must depend to a considerable extent on the concessions they are able to sell; and if this is necessary in connection with these institutions, it is obvious that the smaller fairs that receive no federal grant must depend to a greater extent upon the revenues they can secure in other ways. We have in Manitoba midway entertainments that make the circuit of the different fairs, and if there is to be any distinction between the fairs that receive the Dominion grant and those that do not, it would be impossible for the entertainers to carry on. The games would be allowed at some fairs while they would be prohibited at others, and you can readily understand the difficult position these people would be in. There would be a difference between Carman and Portage la Prairie, Neepawa and Dauphin, Yorkton and Melville; and under any system of this sort it would be impossible to secure a midway on satisfactory terms. I think that the same provision should apply to all fairs big or little without discrimination. I shall therefore support the amendment.

Mr. KNOX: I can hardly think that the minister considers this part of the agricultural fair as educational. Does he really think that it is in the best interests of agriculture to have this provision enacted?

Mr. MOTHERWELL: My first desire was to have this apply, as the hon. member (Mr. Leader) has said, to "A" and "B" fairs, so that it might be restricted to such fairs as we give grants to and over which we have supervision. At every one of these fairs the Department of Agriculture has a representative and will continue to have one to see that there are no Smart Alec tricks practised. But I found there was little sympathy in this House with this restriction and that is why the bill is now in its present form. As to whether the provision is good, bad or indifferent, I have not indicated my opinion, nor do I think my hon. friend (Mr. Knox) has told us what he thinks of it from the ethical point of view. I have been looking forward for years and years now to the time when agricultural fairs would be distinctly agricultural, and when the sports in connection with them would be eliminated. Many of the agricultural societies in the country have tried to realize the same wish but they have tried it only once, for they find that it will not go. We are trying gradually to reform society, and when the public conscience will support these fairs on their merits we shall not require devices of this kind. But until that time comes, if you cannot get money without permitting these games, those who object to the practice ought to tell us how we can get along without them. That is the practical question which I, as head for the time being of the Department of Agriculture, must answer. I am not discussing the ethics of the question.

Mr. BRETHEN: Evidently the demand for this legislation comes from that type of fair which is not so much agricultural as it is in the nature of a circus. It seems to me that any fair that must depend for fifty per cent or even two-thirds of its finances, as I understood the minister to suggest, upon the turn of a wheel of fortune or upon some game of chance can hardly be called an agricultural institution, and I do not think there is any justification for such a fair. The people of any community who support an agricultural fair only on condition that these entertainments are allowed do not want a fair at all; what they really want is a circus. I am opposed to this legislation. The minister said that it was not possible to carry on a fair without something of this kind. Let me tell him that I attended a fair in the home town of the Acting Minister of Finance (Mr. Robb) some years ago and found it purely agricultural. And I know that they carried on for a number of years in that way. I have not been there within the past two or three years and therefore I do not know whether this is still true, but I do know that that fair was a success under those conditions. It was purely agricultural, and there are a great many other fairs in Ontario which have been conducted successfully along the same lines. I am not in sympathy with any fair which is seventy-five per cent circus and twenty-five per cent agricultural.

Mr. THURSTON: I rather resent one remark of the Minister of Agriculture (Mr. Motherwell), to the effect that agricultural fairs could not be conducted without the support of midways. There is in my own constituency one little village which has retained the old fashioned agricultural fair, and it is one of the most educative fairs in that part of the country. In the regulations of the board there is one condition which I think the Minister of Agriculture might seriously consider and insist upon; the directors are all agriculturists. We find that in connection with a good many of the agricultural fairs throughout the province of Ontario to-day the idea is to get a big crowd into the town for the occasion, to bring money into the place, while the educational value of the fair is lost sight of. As regards the question of restricting the gambling feature of these fairs, I agree with one or two members who have spoken in this respect, that I am not very much in favour of restrictive legislation of any kind. If people are going to gamble at all they might as well do it openly as behind closed doors, so to speak, and contrary to law. I think however that the Department of Agriculture should insist, so far as those fairs that receive grants are concerned, that the fair shall depend to a greater extent on the support of agricultural people than of those in other walks of life.

Mr. NEILL I wish to associate myself with the attitude of the hon. member for East Peterborough. He has come out flat-footed and has declared himself opposed to gambling which after all is the issue in this section. I have been rather interested to observe the mental evolutions by which hon. members who would hardly care to say that they are in favour of open gambling have brought themselves to support this section. The most frank in that regard was the Minister of Agriculture who tells us candidly that this evil—for I suppose gambling is an evil being generally recognized as such—is essential because the fairs cannot get money in any other way. That is a very frank statement but it is also a very wide one; it can be applied to a great many other con-

ditions in life and lead to the adoption of the policy—"get money, honestly if you can but get money." If it is necessary to get money, no matter how, they might claim to be allowed to go in for a little of what is called bootlegging at these fairs. That would yield more money more quickly. I think the minister used the expression that if anyone is opposed to this section it is up to him to say how the money is to be otherwise provided. I do not think that necessity is imposed upon us. If a man comes and says "I cannot keep my wife and family, I am a cripple, I am old, and the only way I can keep them is by bootlegging" that would not be justifiable. I heard that defence put up in court not long ago, but it was not accepted as being a sufficient defence. There is one phase of this question that nobody has touched upon, and I am serious in saying this: It is calculated to induce young people to see or think they see advantages in gambling. It would be only in a small way I admit, but it is calculated to imbue young people with the idea—which is at the very root of the evil of gambling,—the idea of getting something for nothing. It is asked "Where are we to get the money otherwise?" The money comes out of the pockets of the people and not in a very creditable way. We might increase the vote granted by parliament rather than have the money taken out of the pockets of the people who attend these fairs. In that case we would know what we were doing; we would be calling a spade a spade. I am not particularly keen on this section either way personally, but I cannot accept the view that says: "It is all right to gamble provided it is only to a certain extent." I cannot see that if a thing is wrong the fact that there is partial restriction and is only to be practised at a country fair makes it any better.

Mr. GOOD: It occurs to me that perhaps the minister would be well advised to let this matter stand over for further consideration. I recall that a few years ago in the city of Brantford some midway organization appealed to the municipal council for the right to set up their booths, wheels of fortune, and all kinds of other things on the market place for about two weeks. Well somehow or other they prevailed on the municipal authorities to grant them the right—I do not know just how it was—and we had an awful experience. I think it did incalculable damage to the community. I do not know how much money it took out of the city or how much demoralization it caused among the young people. The hon. member for Comox-Alberni (Mr. Neill) has put a question that is quite worth while considering and that is how far any encouragement of this particular type of entertainment is going to lead our young people astray. I have no objection to entertainment features at fairs—they are all right, the more the better so long as they are of a proper kind.

Mr. CAMPBELL: It seems to me that a certain amount of objection to this clause would be eliminatel if the minister left the matter entirely in the hands of the management of the agricultural fair. What I mean by this is, that the wheel of fortune or whatever amusement feature it was would have to be operated directly by the management of the fair. Now, no one can condone the offence of gambling whether it is carried on at a church bazaar, an agricultural fair, or by a private individual. But there is this feature that I wish to point out: Where the gambling system is operated by a private individual it may be crooked; there may be no particular rule in the game. The man operating it is very often a man who comes in from the outside and has no particular standing morally or financially in the community. He is not particularly concerned with anything except getting money, and getting it by any means that he can. Such a man is going to strain a law to the very limit. On the other hand, if it were carried on by a public body or by the management of the agricultural fair, or as we very often see it at a church bazaar —because they indulge in games of chance on such occasions—there is some responsible body back of it, and if there is anything that is obnoxious to public opinion, the people can place the responsibility where it belongs and deal with it accordingly. It seems to me that would be a sufficient safeguard and, perhaps, would leave the matter entirely in the hands of the people of the community. I believe it would, at least partially, meet the approval of those who would otherwise raise objections.

Mr. BEAUBIEN: I intend to support the section. My contention is that you cannot make angels by legislation.

Mr. VIEN: Some think they can.

Mr. BEAUBIEN: If you are going to restrict every means of amusement for the people to-day they will amuse themselves where you will not be able to see them, and the unseen amusement, in my estimation, is the worst kind of amusement.

Mr. LAPOINTE: Not always.

Mr. BEAUBIEN: I go to horse races once in a while and bet two dollars. Sometimes I lose, sometimes I win. I do not think I am any worse than anyone else. You find the best people in the country to-day willing to take a little chance. Life itself is a chance. Every farmer that puts wheat into the ground is gambling.

Mr. LAPOINTE: An election is a chance.

Mr. BEAUBIEN: Well, I think it is fairly certain.

Mr. BOYS: Sometimes.

Mr. BEAUBIEN: I am very glad that this section is going to apply to fairs, that there is going to be some such provision. If it results in abuse the section can be amended in the future, but I am sure that the directors on the different fair boards will see to it that things are carried on properly.

Mr. LEADER: The previous speaker made the statement that "you cannot make angels by legislation." My opinion is that we can make people better by education. In reference to the suggestion of the hon. member for Mackenzie (Mr. Campbell) that it be left to the management of the fairs to decide whether the thing should be carried on or not, I think that is the practice now, and that we have proper supervision. The police and the directors of the fair board are careful to see that matters are carried on as they should be. I have gone around with them when they made their tour to see that there were no objectionable features in connection with any of these sideshows and midway entertainments. The police have the power, especially if the sentiment of the community is behind them, to eliminate any of these objectionable features in regard to our fairs. Perhaps in this connection I may be permitted to give an illustration. The pari-mutuel people of Winnipeg came to Portage la Prairie on one occasion when I was a member of the Fair board and they asked the permission of the board to operate the pari-mutuel at our local races. We have very good races at Portage la Prairie, but we do not have the pari-mutuel in operation or any gambling that I know of. We told the pari-mutuel people plainly that we would not allow them to put the system in operation. They threatened to take measures that would spoil our fair but we told them plainly to go to it. In any event we did not allow the pari-mutuel and in taking that action we knew the public sentiment was behind us; the people did not want the pari-mutuel there.

Mr. CAMPBELL: In regard to what the hon. member (Mr. Leader) says I am quite aware that the making of regulations for the control of these entertainments is entirely in the hands of the Fair board. What I wanted to point out, however, was that some man operating the amusements or machines might do certain things that would not be known until the fair was over. They can go on somewhere else and carry this thing on, whereas in this particular case they have all the advantages accruing to the Fair board and the responsibility should be allocated to them. If the moral sensibilities of the people of the district were hurt in any way, they could deal with it. In this particular case it would be impossible to do that, because the man has gone and cannot be found. I am not very dogmatic about it. I only throw out the suggestion, and as a matter of fact I intend to offer no opposition to the section.

Mr. BRETHEN: This section is in the nature of class legislation. If this man with the punch board were operating outside the fair ground he would be taken in charge as a criminal, and I do not see why we should make a distinction because he is inside the fair ground.

Mr. HOEY: This excludes all others.

Mr. BRETHEN: To make my position clear on this, I move that section 5 be struck out.

The CHAIRMAN: It strikes me this amendment is not in order. This section is under consideration. The hon. member can vote against the adoption of the section if he wishes, but not to strike out the whole section.

Mr. BOYS: If my hon. friend is against this section all he has to do is to vote against it, and it is not necessary to move an amendment.

Section agreed to on division.

On section 8—Bailee not producing or delivering any article under lawful seizure by peace or public officer.

Mr. CAMPBELL: I understand the minister had this clause under discussion with some of the attorneys general of the provinces. Perhaps he could tell us what they had to say about it.

Mr. LAPOINTE: This clause is drafted by Mr. Newcombe, formerly Deputy Minister of Justice, at present Mr. Justice Newcombe, upon the suggestion of the members of the bar of Alberta, and I really think it is a

commendable provision, making it a criminal offence for any one who has been appointed by the sheriff as bailee of anything capable of being stolen, to appropriate the article to his own use personally, or selling or disposing of it, or not returning it at the appointed time when ordered by the court. It has been suggested that such a provision was needed. I told my hon. friends from the west the other day that I proposed the amendment just to fill a need out west, but that if they did not want it I am not going to force it upon them.

Mr. CAMPBELL: I am not opposing this provision, nor do I understand that the hon. members for Bow River (Mr. Garland) and Battle River (Mr. Spencer) were opposing it the other day, they were simply looking for information. The point I am not clear upon is as to what the position was previous to this law. If any person were left in possession of certain goods and appropriated those goods to his own use, was he not guilty of theft under the common law?

Mr. LAPOINTE: The trouble was that it was difficult to prosecute on a mere charge of theft. This has been attempted in some instances, and sufficient evidence could not be secured to convict the guilty party. Of course this will not work against an individual, and if there is anything to justify his having left the property and gone away, he cannot be convicted. The bailee in most instances is the owner of the property and the sheriff perhaps cannot find any other person except the debtor to act as bailee. If that debtor uses the property left on his hands by the court for his personal advantage, sells it or gives it away, surely it is equivalent to theft and he should be convicted for disposing of it.

Mr. LEWIS: Suppose for instance there is said to be 2,000 bushels of wheat threshed into a granary, and the bailee is in charge of it. Some time after that he is asked to produce that wheat, and when it is taken to the elevator it is found that there are only 1,800 bushels. It may be due to short weight of the threshing machine. Will he be called upon to prove that there were only 1,800 bushels there, or will he be protected if he produces all the wheat that was stored there at the time?

Mr. LAPOINTE: The last three lines of the section protect him. They read:

A person accused under this section shall not be convicted if it be proved that the non-production and non-delivery of the thing bailed is not due to any wilful act or omission on the part of the person accused.

[Mr. Lapointe.]

He could not be convicted in the case suggested if the non-delivery is not due to any act or omission on his part.

Mr. LEWIS: The difficulty is that the onus is upon the bailee himself.

Mr. LAPOINTE: The same thing happens in the criminal code. A man who is accused of receiving stolen property found in his possession has to show that there has been no wilful act on his part which makes him liable.

Mr. GOOD: It was urged the other day by some hon. members who are not here just now that this clause placed on the man who was charged the onus of proving he was not guilty. Has the minister given full consideration to that?

Mr. LAPOINTE: I do not think it can be done otherwise. I think it is identical with the case of receiving stolen goods.

Item agreed to.

On section 11—Use of word "Royal" without authority.

Mr. LAPOINTE: Some of my hon. friends in the committee the other day took exception to this section. The necessity or advisability of this section has been shown in many instances in recent years. Associations were assuming to use that word, and it leads in many cases to serious difficulty. Only a couple of years ago there was an institution in Toronto called the Royal College of Science, and other scientific associations there, especially the college of ophthalmology, took strong objection to it and wrote many letters to His Excellency the Governor General and to the government about it. In other cases I may say that even swindlers have used the word "royal" and have associated it with the rest of their name in order to deceive the people, and it is certainly not paying the care and attention which ought to be paid to this word, so long as we have the respect for it which we have in this country. It was stated that there was nothing of the kind in England. Well, the use of the words "royal" and "imperial" is forbidden in England save with the consent of the Home Office. It is so enacted in many statutes of the United Kingdom. In this country important associations are using that name, but are following the practice of asking leave to do it, and there is no objection to that. What is objectionable is that this name should be used indiscriminately for all sorts of purposes by all sorts of firms and associations without asking leave to do it. Unless this is made an

offence, there is no possibility whatever of dealing with a matter of this kind.

This cannot work any injury to anybody, because those who want to use it and who are entitled to use it, will be given leave to do so. I really think, out of respect for the word "royal," we should not allow it to be misused as it is to-day. Only a couple of years ago we prevented, I think by legislation, the use of the term "red cross" except by the Red Cross Society. Some firms had begun to use the term in order to benefit by the popularity of the name in the selling of their goods. The practice here, for instance, is always to refuse to a Dominion company the use of a provincial word. We would not incorporate here any company with the use of the word "Ontario" or "Quebec." On the other hand, Quebec, Ontario and the other provinces do not use the word "Dominion" or "Canadian" in giving charters to any corporation, firm or association. I think those names should be left untouched except by the usual leave.

Mr. LEWIS: I have no objection to this legislation provided that registered trade marks that are already registered in Canada such as "Royal Crown Soap" and that kind of thing are allowed to continue as at the present time. I do not believe in the indiscriminate use of the word "royal" for anything that comes along. For that reason I am going to support the section on condition that all existing registered trade marks are exempted from this.

Mr. LAPOINTE: I think that is covered by the clause. There is a proviso:

> Provided that this section shall not apply to any case in which the use of the word "royal" is authorized by or under the provisions of any statute of Canada.

The Trade Marks Act in England which forbids the use of the word "royal" or "imperial" in the same way has also this exception. It does not apply to old firms which have had trade marks with that name.

Mr. GOOD: Is the minister quite sure that all cases where the word "royal" is being now used in Canada are covered by this last proviso? May there not be some cases where the word "royal" has been appropriated and in common use for a long time, and where that use is not sanctioned or approved by statute? What would be done in such cases?

Mr. LAPOINTE: A reasonable hearing would be given to their request, but surely they should apply for leave to use that word.

Mr. GOOD: I do not see any provision in this clause for them to apply for permission to continue the use of the name. Where is that permission given?

Mr. LAPOINTE: I would not like to give the assurance that all those who indiscriminately use the word "royal" should be left in possession of it, if really they should not use it.

Mr. GOOD: Nor I, either.

Mr. LAPOINTE: As I have stated, even swindlers have used that word.

Mr. THURSTON: Are they notified to stop using the word before a fine is demanded from them?

Mr. LAPOINTE: Absolutely.

Mr. CAMPBELL: This is the most absurd piece of legislation I have seen passed in this House, or placed before this House, during the last four sessions.

Mr. LAPOINTE: There is a new one every day apparently.

Mr. CAMPBELL: I am sorry the minister did not allow his own judgment to prevail instead of being prevailed upon by others. People until now have been permitted to use the name "Royal Yeast Cakes," "Royal Crown Soap," "Royal Household Flour" and a thousand and one other little things that have been household articles for a generation or two. I know of nothing that will lower the dignity and prestige of royalty more than legislation like this. If we are going to be forced by legislation into respecting royalty, our respect for it is not going to last very long. If there is anything that has perpetuated respect for royalty in the British Empire, it is the very fact that it has not been forced upon the people. People do it voluntarily. We respect royalty simply because it is there by the will of the people, not by any political coercion. It seems to me that this is only the thin edge of the wedge in setting up a prejudice against the institution.

Mr. MEIGHEN: Has the hon. member not the wrong angle of the matter? This does not force the royal family on us or off us.

Mr. CAMPBELL: Not entirely, but if the name cannot be used in any other sense—

Mr. MEIGHEN: Legislation provides that we cannot in this country utter language respecting the royal family.

Mr. CAMPBELL: Is that not true of any individual? You cannot use certain language against individuals.

Mr. MEIGHEN: It is quite different and rightly so. This is the same in every country in the world. The great mass of the people, nine hundred and ninety-nine out of a thousand, would never dream of doing it; but it is unseemly, inconsistent with what strikes the great mass of the people as right and decent that the thousandth man should be allowed to do it. This is just conduct of a similar character. It is trafficking in the world "royal." What right has anybody to use the word "royal" indiscriminately and place it before a yeast cake? The value of it consists in the respect in which the Royal family is held. That fact surely is a reason why anybody on earth, whether the purpose is bad or half bad or foolish or something of that character, should not be allowed, just of his own free will, to bandy the word about in every shape and form on every billboard in the country. That is the principle that is behind the matter. I do not think there is a country in the world where this is not law, and it seems to me it is right and proper. Nobody is going to be fined without warning; nobody ever is fined without warning in legislation of this kind; and I fancy a very generous use of the word can still be allowed. This is simply to permit of such restrictions as are consistent with what the ordinary mass of democracy regard as respectable in relation to the Royal family.

Mr. PUTNAM: My hon. friend from Mackenzie (Mr. Campbell) asserted that this was the most foolish legislation of the last four sessions.

Mr. MEIGHEN: We all dissent from that.

Mr. PUTNAM: As a general supporter of this government I hope he is right. He boldly asserts that the prohibition of the indiscriminate use of the word "royal" tends to disrespect for the Royal family. It is odd that public opinion in England, where they are measurably loyal to the Royal family, has taken the opposite view, and the use of the word is forbidden except in very rare and very conservative instances. In addition to what the right hon. leader of the opposition has said, it does seem to me that part of the policy of this prohibition is to prevent an unfair advantage as between advertisers, because the use of the word "royal" connotes a possible degree of governmental favour towards the advertiser employing the term. Right in my own town, as solicitor, I was engaged in the incorporation of a garage company that had theretofore called itself The Royal Garage Company, but the provincial authorities of Nova Scotia pointed out that it was against the policy of the governments both there and at Ottawa to grant incorporation of any joint stock company under this distinctive word. For my part, I can see a dual reason for this stand, and I am surprised at what I must characterize, with all respect, as the tangent at which the hon. member for Mackenzie has allowed his mind to travel.

Mr. CAMPBELL: Mr. Chairman, I cannot see any particular advantage to be gained by the use of the word "royal" just so long as it is open to everyone to use it; but the moment you restrict its use there might be an advantage to a firm putting the word on any brand of goods.

Mr. MANION: Is it not just as true that there is no disadvantage if everybody is prevented from using the word? Therefore the amendment really does not matter.

Mr. CAMPBELL: Then why any necessity for the amendment?

Mr. LAPOINTE: Because some people think differently from my hon. friend.

Mr. CAMPBELL: The logical thing now for the minister to do is to restrict the use of the words, "Canadian," "national," and so on.

Mr. PUTNAM: Who shall be the judge of what is logical? Shall we leave the standard to the hon. member for Mackenzie?

Mr. CAMPBELL: The minister is making himself the judge in this particular case.

Mr. LAPOINTE: Oh, no.

Mr. PUTNAM: I think if the hon. gentleman would give reasons rather than conclusions he would be employing his time better.

Mr. SHAW: The member for Colchester (Mr. Putnam) made some reference to there being similar legislation in the Mother Country. Has similar legislation been passed in England?

Mr. LAPOINTE: The use of the words "royal" and "imperial" is forbidden in England, save with the consent of the Home office. Several imperial statutes, particularly the Trade Marks Act 1905 and the trade mark rules 1920, contain such a prohibition.

Mr. SHAW: Why did not the minister include the word "imperial" in his proposed legislation?

Mr. LAPOINTE: I admit that in England the use of both words is forbidden.

Mr. BAXTER: Mr. Chairman, I do not think we need take very much time discussing this amendment. I would be inclined to agree that there is not any great necessity for the proposed legislation. There is no tremendous amount of harm being done, I suppose; it is not something that exposes anybody's life or liberty to danger. But really the necessity for this amendment, so far as there is necessity, is evidenced by the remarks that have been made to this committee this afternoon. What we desire to cultivate among the people of Canada is just a bit of gentlemanly manners and good taste. The man who tacks on to a pot of blacking the word "royal," or some similar designation, that brings to mind that its use has the approval of the Royal family, is not acting in good taste; he is not elevating citizenship; he is not setting up the ideal that ought to be set up everywhere throughout the empire that the Royal family, because it is the Royal family by the will of the people, is the highest ideal of the people in our form of government, and therefore ought to be respected. A man should no more desire to use that word indiscriminately in connection with a pot of blacking than he would want to call the sovereign by his christian name. Of course, some people would brag of doing that. There are some parts of Canada where apparently people want to do this sort of thing.

An hon. MEMBER: Is that the Maritime provinces?

Mr. BAXTER: I have not met with any examples of it there, but from the group my hon. friend is a member of I have seen some distinctly un-Canadian exhibitions since I came to this House.

Mr. BEAUBIEN: Are you the judge?

Mr. BAXTER: I am not judging. There is considerably more feeling towards the United States of America than there is towards the British crown. It does not apply to all, but to a good many in western Canada.

Mr. BEAUBIEN: I have been in the Maritime provinces, and I have heard more talk of that kind there than in western Canada.

Mr. BAXTER: Very well; all I can say is, western Canada is badly represented in this House, because if the electorate could come here they would hear uttered a good many words disloyal to their country and to the empire.

An hon. MEMBER: From whom?

Mr. BAXTER: They come from members who are sitting to my left—from no other part of the House. We do not need the American ideal to be set up before us, and yet every session we have paraded almost everything that takes place across the line, as if the American ideal was far superior to our own. Among other things, we are told that we do not want British immigrants. Take the British flag itself, the man who has the proper spirit of citizenship would not use the Union Jack for a floor decoration and walk upon it; but some people can see no reason in the world why that combination of colours and lines would not make a very pretty pattern for a carpet. These people need a little bit of education. If they are not able to accept education in the ordinary way, sometimes it is necessary to enforce a rule such as this. This law is setting a standard of gentlemanly conduct towards the highest ideal that we know within the empire.

Mr. GOOD: Mr. Chairman, I think the amendment is not too bad, but I question whether the minister is not going to get into serious difficulties working it out. I should like to have some assurance from him that concerns now using the word "royal" without the sanction of any particular statute, are going to be free from penalty. There is no provision here which would enable them to secure notification or warning before they would be subject to prosecution. I do think that from that point of view the amendment would work out very badly. Would not the minister consider some modification of the section? Or would he give some assurance as to what would be the procedure in the case of certain words in common use that are not sanctioned by statute?

Mr. LAPOINTE: The procedure would be to ask for leave to use the word.

Mr. GOOD: From whom?

Mr. LAPOINTE: I think application should be made to the Secretary of State, who would transmit it through the Governor General to the Home office, where such permission is granted. My hon. friend may be assured that this has been done by certain institutions. When I was Minister of Marine and Fisheries I remember making application for use of the word "royal" by the Royal Yachting Association of Hamilton, and permission was given. My hon. friend may be certain that nobody would be treated harshly; the very nature of this provision would prevent it. I am sure that the Royal family, the Canadian government or the Home office

would not prosecute anybody in the way my hon. friend has suggested. However, I am glad he thinks this proposal is "not too bad after all," in view of his neighbour to his left having said that it was the most foolish thing he had ever heard of.

Mr. BAXTER: I hardly think anything is likely to arise such as the hon. member for Brant (Mr. Good) fears, but there is the possibility that some man will rush in with a prosecution and no one can tell. I would suggest the addition of these words:

Nor shall any prosecution be commenced under this section except by the order of the Attorney General of Canada or the attorney general of a province.

So that it will not be a private prosecutor.

Mr. LAPOINTE: Will that satisfy the hon. member?

Mr. GOOD: That will be a great assistance.

Mr. LAPOINTE: I accept the amendment.

Mr. SHAW: I oppose this particular provision. I want to pay my respects to those in authority. I do not think anybody will be induced to pay any additional respect by reason of any statutory enactment of any kind; but the situation seems to be now well taken care of, because, as the minister himself has said, anyone who wants to use the name "royal" for the purpose of an incorporated company or some similar purpose, must make application to the Dominion Secretary of State or the Provincial Secretary of State, in which case the word "royal" may be and, I have no doubt, often is eliminated from the proposed name of the company. The objection I see to this legislation is that what is now exercised as a civil right becomes, by virtue of this proposed legislation, a criminal law. There is too much of a tendency nowadays to take civil wrongs and convert them into criminal wrongs. More than that, I do not see where this legislation is properly going to stop because, if you are going to make the word "royal" exclusive, you must naturally and logically similarly make provision for the word "imperial," and I do not see any reason why this should not be extended further to the word "majesty," even to the word "king" itself. Surely no one would suggest that the latter word should be eliminated from the surname of a good many people including a number of distinguished people in this country. If any wrong is done, there is ample remedy at the present time. I remember very well a case which arose in our province in which a dilapidated draying outfit, taking advantage of the situation, called themselves the Grand Trunk delivery. The Grand Trunk Railway Company were rather impressed with the dilapidated condition of this delivery rig; they brought action in the courts to restrain the use of the term, and an injunction was promptly granted because the delivery man was taking advantage of a name to which he was not entitled. If any damage is done by the use of these or similar words, there is ample remedy at civil law. There are also protective measures, as the minister has stated, by the Secretary of State using the power which he has in the case of incorporated companies. Consequently, I feel that to make a criminal offence out of what is at most a civil wrong is a very serious entrenchment upon the rights of individuals. I say this with every respect for the Royal family. No one could have more respect for them than I have. I do not believe it will be the wish of the Royal family that the mere use of such terms should impose a criminal penalty upon any individual.

Mr. PUTNAM: Alluding to the remarks of the hon. member for West Calgary (Mr. Shaw), I think he seems to assume that the proposed barrier against the word "royal" corresponds with the line at which the word is allowed or disallowed upon application at present. That is a fallacy, because in hundreds of cases people now of their own volition are assuming to use the word "royal" on all sorts of advertising devices and in connection with little partnerships and companies whether properly incorporated or not. Therefore, the remedy which he would assume as at present in the hands of the authorities is not there.

Mr. SHAW: Does my hon. friend not admit that if any damage is done by the use of this term or any similar term, there is an adequate and complete remedy at civil law my way of injuncton or damage?

Mr. PUTNAM: At the present time there is no penalty at all in scores of cases for the indiscriminate use of the word "royal" where it is being used without even an application for it. I know cases of it right in my province where they use the term "royal" this and "royal" that. While at present a company will not be permitted to incorporate under that name, there is, so far as I know, no law under the firmament to prevent those people in that informal way from using the word "royal." In any case there is no harm in making the law clear upon the point. I do not think the word "imperial" in Canada stands in quite the same position as the word "royal." The word "royal" is far

more definite to us than the word "imperial." To say that you are going to sell imperial oil or imperial oats does not infringe, to my mind at least, nearly so closely upon what is denoted by the Royal family itself as the use of the word "royal." The hon. member cited the use of the words "king" and "queen." You may talk about the Queen Shoe Company or the King Tractor Company, and it is obvious on its face that those terms are too ambitious to carry the idea of any governmental favour. But when you use the word "royal," it seems to me that you are allowing that man an unfair advertising advantage, because when you come down through all the grades of intelligence, you will find some and not a few who will actually think that when a man has the right to use the word "royal" in connection with his business, he is a little nearer the throne in some business sense in governmental favour than his competitors. We had a debate which bordered on that by way of analogy when we incorporated the United Church of Canada. Objection was taken to that inasmuch as the newly named church seemed to have under that very term some of the rights of a state church. The objection did not prevail, but at the same time I was not entirely clear that there was not some validity in the objection. I have always held that it has been part of the policy as regards the use of the word "royal" in an advertising sense that it conveys an undue advertising advantage. It is too happy an advertising term.

Section agreed to.

On section 19—Proceedings upon warrant, to enforce attendance of prisoner confined in another province.

Mr. LAPOINTE: I desire to move this amendment to section 19 in order to cover an objection which was made to it by the leader of the opposition (Mr. Meighen) and the hon. member for George Etienne Cartier (Mr. Jacobs):

That section 19 be amended by changing the word "subsection" in line 2 to "subsections" and adding the following subsection:

(6) Where any order is granted under the provisions of the next preceding sub-section, the judge may, by such order or by such further or other order as he may deem requisite, from time to time, give directions as to the manner in which such person shall be kept in custody and returned to prison to serve the remainder of his original sentence, in case he be discharged or acquitted of the offence in respect of which such warrant was issued, or may make such other directions as in the circumstances of the case he may see fit.

This provides that if a prisoner, under the direction of a judge, has been transferred to another province to stand his preliminary trial he shall in case of acquittal be returned to the province from which he came to serve the rest of his term.

Amendment agreed to.

Section as amended agreed to.

On section 22—Trial by jury in certain cases.

Mr. LAPOINTE: This amendment was suggested by the Attorney General of Quebec but there have been strong objections to it, and as the whole matter of the right of election for speedy trial has to be considered in accordance with the suggestions that have been made by various provinces, I move that this section be struck out.

Amendment agreed to.

Mr. LAPOINTE: The amendment which I moved the other day to section 412 is in reality the bill which was presented by the Minister of Railways (Mr. Graham). The amendment reads:

(2) Every one who by himself, his servant, agent or employee—

(a) By means of false or misleading billing, classification or labelling, or any other false or misleading representation or statement of the contents of any car, vessel, package or consignment, or by concealment, or failure to properly bill or disclose the entire contents of any such car, vessel, package or consignment, or by giving, furnishing or using any false address or by any other means or device, whether with or without the consent or connivance of any servant, agent or employee of any railway, steamship or other transportation company (including any railway or steamship line owned or controlled directly or indirectly by the crown), knowingly obtains or attempts to obtain the carriage or transportation by such company of any intoxicating liquor into any country, province, district or other place, whether within or without Canada, where the importation or transportation of such liquor is in the circumstances of the case contrary to law:—

(b) Knowingly aids or assists in any manner whatsoever in the doing of any of the acts, matters or things mentioned in paragraph (a) of this section; is guilty of an offence and shall be liable on summary conviction to imprisonment without the option of fine for a term not less than thirty days nor exceeding twelve months, with or without hard labour; and all intoxicating liquor with respect to which any conviction has been had under this section and all cases, kegs, barrels, bottles, packages, or receptacles of any kind in which the same is or was contained shall upon conviction be forfeited and shall be disposed of for medical purposes or in such other manner as the court may from time to time order.

These provisions were accepted by the House, but the leader of the opposition (Mr. Meighen) suggested that they should form part of the Criminal Code inasmuch as under the Railway Act this provision would have to apply only to railways that come within the purview of that legislation. To meet that objection I now move this amendment.

Amendment agreed to.

Mr. LAPOINTE: There was another amendment suggested by the Department of Labour which I read the other day and which was allowed to stand. That amendment, 347A, is as follows:

347a. Every one who is an agent is guilty of an indictable offence and liable to a penalty not exceeding four thousand dollars and not less than five hundred dollars or to imprisonment for three years who renders a false or deceptive return to his principal with respect to the sale or other disposition of any goods, unless it be proved that there was no intent to deceive.

2. Every one is guilty of an indictable offence and liable to a penalty not exceeding four thousand dollars and not less than five hundred dollars or to imprisonment for three years who, being a director, shareholder, manager, officer or employee of any person who being an agent renders a false or deceptive return to his principal with respect to the sale or other disposition of any goods knowingly makes, permits, concurs in or condones the rendering of the said false or deceptive return.

This covers the case of an agent who is charged with the sale of some property and renders a false account to his principal.

Sir HENRY DRAYTON: Does the minister think that this is extending the law?

Mr. LAPOINTE: It relates to companies. Companies may act, for example, as brokers in the sale of fruit or other commodities and if they render false accounts to the directors or managers they cannot be got at under the law as it stands.

Sir HENRY DRAYTON: As I recollect the law—at least, as it was at one time—anyone making any false return was guilty of an offence.

Mr. LAPOINTE: They would be prosecuted under the general charge of theft.

Sir HENRY DRAYTON: Yes, or they could be prosecuted for obtaining money under false pretences or by misrepresentation. I was wondering whether the effect of this would not be to narrow the code as it stands. I think the punishment is less in the present bill than it was under the Criminal Code as it stood before in respect of these questions. Under the Criminal Code there are certain cases of theft in regard to which a penalty of seven years' imprisonment may be inflicted. Would this not be a contraction of that punishment?

Mr. LAPOINTE: The officers of the department have recommended this provision. They point out that under the law as it at present stands companies cannot be got at.

Sir HENRY DRAYTON: This has reference to the company?

Mr. LAPOINTE: Yes. The memorandum I have reads:

[Mr. Lapointe.]

The proposed section 347a makes it an offence for any person, including a company, to make a false return with reference to the sale or disposition of any goods. The object is to enable the conviction of a company for defrauding a customer by issuing false sales slips; a company cannot be indicted for theft, which would be the remedy in case of such practice by an individual, but if this legislation is enacted can be prosecuted and fined for making a false return to a customer.

Sir HENRY DRAYTON: Has my hon. friend ever thought at all in this connection of the matter of the desirability of limiting the present right of appeal so that we might improve the situation which has arisen, especially in some provinces?

Mr. LAPOINTE: I was about to move an amendment which will restrict the appeal clearly to questions of law. The amendment is as follows:

Subsection 1 of section 1024, c. 146 of the Revised Statutes of Canada, 1906, is repealed and the following substituted therefor:

Any person convicted of any indictable offence whose conviction has been affirmed on an appeal taken under section ten hundred and thirteen may appeal to the Supreme Court of Canada against the affirmance of such conviction on any question of law on which there has been dissent in the Court of Appeal:

Provided that no such appeal can be taken unless notice of appeal in writing has been served on the attorney general within fifteen (15) days after affirmance or such further time as may be allowed by the Supreme Court of Canada or a judge thereof.

It is the old section with the addition of the words, "on any question of law." The supreme court decided, a few months ago, that they have no jurisdiction on matters of fact in the Davis case of Montreal. The object of the amendment is to make it perfectly clear that this appeal applies only to questions of law.

Sir HENRY DRAYTON: In that connection—my hon. friend will have a more intimate knowledge of the matter than I have—but from what I have seen and the cases I have noted there seems to have been a much wider extension of the practice of appeals than my hon. friend ever thought would take place when he introduced this legislation. I do not know that he introduced it; perhaps it was his predecessor. I do not believe the House ever thought for one minute that the practice of appeals would grow as it has grown. It is not a practice which is a good thing for the enforcement of law. Personally I think the old practice of the stated case gave every prisoner a proper opportunity. Under that practice he had the right to apply to the trial judge to get his stated case for the information of the other court as to misdirection, misreception of evidence, misapplication and the like, in addition to his right to appeal on absolutely technically legal points. As it is

now we have a general appeal. I know that for years in the civil courts the doctrine has been more and more pronounced with respect to a court of review, or an appellate court, dealing with findings of fact for which there was evidence in support. The trial court has the opportunity of seeing the witnesses and hearing them, of getting the atmosphere which would enable it to determine whether the witnesses were really telling the truth or not. You cannot reach a decision by reading cold type nearly as well as by hearing a man, seeing him and having the opportunity of considering properly all the circumstances. Still, a method of jurisprudence has grown up to the contrary around several cases which, for some extraordinary reason, has been applied to criminal cases. I know what the opinion of the prosecutors is in Montreal. Has my hon. friend considered as to whether it would be well to make this provision go a little further and to at least restrict somewhat the present omnibus right of appeal which exists?

Mr. LAPOINTE: There is much to be said in favour of the contention of my hon. friend, and I do not know whether I would not be inclined to think as he does on this question. I am afraid this House paid too great a compliment to the Senate when, two years ago, it adopted without much consideration the bill establishing the right of appeal in criminal matters which came to us from the upper chamber at the end of the session. The Senate had been investigating this matter during two sessions, as my hon. friend knows. It is really the English law on appeal which has been adopted in this clause, but it did not work with all the success which might have been desired. Indeed the hon. member for Red Deer (Mr. Speakman) alluded the other day to a case which caused considerable comment in his own district, and throughout the province of Alberta, last year. It was a case where a man who had been found guilty of murder and sentenced to death saw the verdict changed into one of manslaughter by a court of appeal, and the sentence changed into imprisonment for five years. In consequence of this action some feeling was aroused among the population of the district. I have nothing to say as to whether the judgment of the court of appeal, which was a majority judgment, was right or wrong, but it caused much comment in the press, and I remember having read a letter from Senator Griesbach, who had been attacked because he had supported the right of appeal in the Senate. He said he was inclined to think that the provision had not worked with as much success as he had anticipated, but it was better to preserve the right for some time longer and have a real experience as to how it worked before attempting to repeal it.

Sir HENRY DRAYTON: Does not my hon. friend think the trouble that has arisen is due to ignoring this fact—that in England in a criminal appeal they do not interfere on a question of fact if any evidence whatever is produced to support it. I think if the appeal here was limited in the same way we would have no trouble.

Mr. LAPOINTE: I can assure my hon. friend this question is not dead. I am inclined to agree with him that we should try and do something which would remedy the condition complained of.

Amendment agreed to.

Section as amended agreed to.

Bill reported.

THE ROYAL ASSENT

SUSPENSION OF SITTING

A message was delivered from the Senate as follows:

Mr. Speaker, His Honour the Deputy of His Excellency the Governor General, desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

Accordingly the House went up to the Senate,

And having returned,

Mr. SPEAKER informed the House that the Deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to correct a clerical error in Chapter 166 of the Statutes of 1924, intituled: "An Act for the relief of James Henry Kirkwood."

An Act respecting The Toronto Terminals Railway Company.

An Act for the relief of Jessie Louise Cowan.

An Act to incorporate Guarantee Trust Company of Canada.

An Act respecting The Mutual Life Assurance Company of Canada.

An Act respecting the Alberta Railway and Irrigation Company.

An Act respecting The Manitoba and North Western Railway Company of Canada.

An Act respecting the Marconi Wireless Telegraph Company of Canada, Limited.

An Act respecting Joliette and Northern Railway Company.

An Act for the relief of George Thomas Grigor.

An Act for the relief of Ethel May Sherriff.

An Act for the relief of Max Arno Frind.

An Act for the relief of Elizabeth Burns.

An Act for the relief of Fred Herdman Ogden.

An Act for the relief of Marion Gooderham Smith.

An Act for the relief of Edith Mary Wiles.

An Act for the relief of Annie Kate Winch.

An Act for the relief of Florence Kate Coutts.
An Act for the relief of George Kerr Jess.
An Act for the relief of Thomas Almer Shields.
An Act for the relief of Roderick James Ellis.
An Act for the relief of Florence Mann.
An Act for the relief of Samuel John Pegg, junior.
An Act for the relief of Izzie Klinmentz (otherwise known as Izzie Climans).
An Act for the relief of John Hutchison Durnan.
An Act for the relief of Richard James Wright.
An Act for the relief of Mary Ellen Ayre.
An Act for the relief of Helen Mary Pritchard.
An Act to incorporate the British Consolidated Assurance Corporation.
An Act to extend the period of the Canada Highways Act.
An Act respecting The Restigouche Log Driving and Boom Company.
An Act to amend The Government Annuities Act, 1908.
An Act to amend The Migratory Birds Convention Act.
An Act to authorize an extension of time for the completion of The Saint John and Quebec Railway between Centreville, in the county of Carleton, and Andover, in the county of Victoria, N.B.
An Act to amend the Act to authorize Rearrangements and Transfers of duties in the Public Service.
An Act for the relief of Harry Hambleton.
An Act for the relief of Laura Grace Davis.
An Act for the relief of Alice Brouse.
An Act for the relief of Robert Lawrence Anderson.
An Act for the relief of Pearl Hibbard.
An Act for the relief of William John Taylor.
An Act for the relief of Albert Edward Cottrell.
An Act for the relief of Florence May Mott.
An Act for the relief of Ellen Mary Harvey.
An Act for the relief of Stella Florence Brickenden.
An Act for the relief of Frank Alexander Michel (otherwise known as Frank Alexander Mitchell).
An Act for the relief of Thelma Adeline Rose Hands.
An Act for the relief of Jean Veronica Margaret Wright.
An Act for the relief of Ruth Darcy Blinn McCrimmon.
An Act for the relief of Thomas George McElligott.
An Act for the relief of Alvin Wesley Richards.
An Act for the relief of Cecil Tanner.
An Act for the relief of Ruth Ellen McGowan.
An Act for the relief of Edith Kearsley Smith.
An Act for the relief of James Raymond Armstrong.
An Act for the relief of Josephine Royant.
An Act for the relief of Gertrude Margaret Burkart.
An Act for the relief of Vera Thelma Gooderham.
An Act for the relief of William John Fuller.
An Act for the relief of Alfred Augustus Jacques.
An Act for the relief of Paul Zizis.
An Act for the relief of Annie May Blunt.
An Act for the relief of Grace Harringtin Bloom.
An Act for the relief of Ian Somerled Macdonald.
An Act for the relief of Arthur Beldon Morrison.
An Act for the relief of George Edward Sharp.
An Act for the relief of Marjorie Morton.
An Act for the relief of William Ernest Hampson.
An Act to amend the Royal Canadian Mounted Police Act.
An Act to amend The Dominion Lands Act.
An Act to amend The Customs Tariff, 1907.
An Act respecting the publication of the Statutes.
An Act to amend The Department of Immigration and Colonization Act.
An Act to amend The Industrial Disputes Investigation Act, 1907.
An Act for the relief of Dorothy Strathy.
An Act for the relief of Minnie Williams Goldberg.
An Act for the relief of Charles Arthur Sara.
An Act for the relief of Frederick George Randall Lacey.

[Mr. Speaker.]

An Act for the relief of Norma Evelyn Stevens Hammond.
An Act for the relief of Lillian Yaffe.
An Act for the relief of Charles William Dickinson.
An Act for the relief of Charles Murray Cramsie.
An Act for the relief of Frederick William Mallyon.
An Act for the relief of Ruth Dorothy Rutenberg.
An Act for the relief of Mollie Weiner.
An Act for the relief of Lillian Rebecca Mains.
An Act for the relief of Elizabeth Ruth Badgley Shaw.
An Act for the relief of Lillian Helena Caldwell.
An Act for the relief of Elizabeth Strachan Reid Harvey Strachan.
An Act for the relief of Esther Charlotte Ancel.
An Act for the relief of Birdie Cohen Gould.
An Act for the relief of Walter Roderick Wilson Robinson.
An Act to amend The Special War Revenue Act, 1915.
An Act respecting a patent of West Virginia Pulp and Paper Company.
An Act respecting a patent of Walter W. Williams.
An Act respecting The Toronto Terminals Railway Company.
An Act respecting the construction of a line of railway forming part of the Canadian National Railways between Turtleford and a point in Township 48, Range 12, West of the Third Meridian, in the province of Saskatchewan.
An Act respecting the construction of a line of railway forming part of the Canadian National Railways between Bengough and a point at or near Willowbunch, in the province of Saskatchewan.
An Act respecting The London Mutual Fire Insurance Company of Canada, and to change its name to "London Fire Insurance Company of Canada."
An Act respecting a patent of Edgeworth Greene.
An Act respecting the Ottawa Electric Railway Company.
An Act to amend The Toronto Harbour Commissioners Act, 1911.
An Act to amend The Opium and Narcotic Drug Act.
An Act to amend The Dairy Produce Act.
An Act to amend The Meat and Canned Foods Act.
An Act to amend The Live Stock and Live Stock Products Act, 1923.
An Act to amend the Animal Contagious Diseases Act.
An Act to amend the Supreme Court Act.
An Act for the relief of James Hooper Robins.
An Act for the relief of Jacob Edward Thuna.
An Act for the relief of Mary Alina Marguerite Peat.
An Act for the relief of Isabel Davidson.
An Act for the relief of Jacob Ross.
An Act for the relief of John Delbert Boddy.
An Act for the relief of Edward Hugh Reid.
An Act for the relief of Sidney Charles Simmons.
An Act for the relief of Kathleen Mary Ricketts.
An Act for the relief of Sadie Dennis.
An Act for the relief of Harriet Elizabeth Couch.
An Act for the relief of Margaret Helen Strickland.
An Act for the relief of John Henry North.
An Act for the relief of Mary Jane Apedaile.
An Act for the relief of Cecil Donnelly.
An Act to amend an Act respecting the construction of a Canadian National Railway line from the end of the China Clay Branch to St. Remi d'Amherst, in the province of Quebec.
An Act to authorize an Agreement between His Majesty the King, and the Corporation of the City of Ottawa.
An Act respecting trade between Canada and Finland.
An Act respecting a certain trade convention between His Majesty and the Queen of the Netherlands.
An Act to authorize the raising by way of loan, of certain sums of money for the Public Service.

An Act for granting to His Majesty certains sums of money for the public service of the financial year ending the 31st March, 1926.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CALGARY AND FERNIE RAILWAY COMPANY

On the Order:

Second reading of Bill No. 184, respecting the Calgary and Fernie Railway Company.—Mr. Hudson.

Mr. SHAW: I desire to make some inquiries with regard to this bill, but the hon. gentleman who is the mover is apparently not in his seat. I would ask that the bill stand.

Order stands.

SECOND READINGS

Bill No. 178, for the relief of Matthew William Lazenby.—Mr. Ross (Kingston).

Bill No. 179, for the relief of Evelyn Laura Herlehy.—Mr. Ross (Kingston).

Bill No. 180, for the relief of Lois Kathleen Purdy.—Mr. Ross (Kingston).

Bill No. 185, for the relief of George William Quibell.—Mr. Stewart (Hamilton).

SUPPLY

SOLDIERS' CIVIL RE-ESTABLISHMENT

The House in committee of Supply, Mr. Gordon in the chair:

Soldiers' Civil Re-establishment—capital, $10,000.

Mr. MANION: Will the minister explain this vote?

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): It is used for the replacement of equipment and the purchase of small fixtures. The largest items for replacement of equipment are attended to by the Department of Public Works. This vote covers a very large number of small articles which have been broken or rendered useless. The list is extremely long, probably over a thousand articles are covered by it; ranging from sixty cents to around one hundred dollars. The largest outlay, $1,076.50, was to provide an X-ray equipment for the Christie street hospital Toronto.

Mr. MANION: What was the total used last year?

Mr. BELAND: It was $7,416.

Mr. STIRLING: Mr. Chairman, when the estimates of this department were before the House at a late hour some weeks ago, I was not present, and I notice that the minister made certain references to some remarks of mine when I spoke on the budget. I should like to acknowledge the courtesy with which he referred to my remarks, differing as he did so entirely from my criticism. He was also good enough to say that he had no doubt that I did not wish to mislead the House. That, Mr. Chairman, is most assuredly the case. I should like, therefore, to go a little further into the matter and describe the basis on which I built my criticism.

My criticism is that this department has outlived its usefulness, and that considerable economies could be effected were it abolished. The raison d'être for the creation of this department was to give assistance to the unfit men with the object of helping them in their return to civil life, and it does not appear to me that an examination of the expenses incurred by the department should be confused by the inclusion of expenses connected with pensions. I notice on turning to the Auditor General's reports that the amount included for this department is between $10,000,000 and $10,500,000. There are one or two sums comparatively small—where we are speaking of millions—included in that amount which for the purposes of my argument, I deduct, as the cost of the federal appeal board, $82,715, Public Service Retirement Act, $1,120, salaries and contingencies of the Board of Pension Commissioners, $97,523. After making these deductions I arrive at a total of $10,230,149. That I divide into three categories: salaries, $4,711,549; administration, which covers various payments made on behalf of the unfit men, such as care of patients, vocational expenses, operating expenses and the like, $2,793,541; and payments to the unfit men, $2,725,059.

At that point I make a further adjustment for the reasons I have given, in that I do not consider that the expenses connected with pensions should be included in this investigation. I consider it only fair that we should deduct those expenses. The minister has said that he does not know what they amount to, and that it would be an intricate piece of accountancy to ascertain their total. So I think we must make an approximation of the amount. In the year prior to the amalgamation we know that such expenses amounted to a little over a million and a quarter. I do not think it can be contended that they have increased since that date, it is more probable that they have somewhat decreased, for there have been fewer boards, less travelling, and

presumably an increase of efficiency in the routine work. I suggest then, that instead of a million and a quarter dollars, it would be reasonable to make a reduction of $900,000 for those expenses. A portion of that would come under the head of salaries, another portion under the head of payments made for the men. I therefore deduct $500,000 from salaries and the balance, $400,000, from the administrative charges.

Now, the minister takes issue with me for putting all the expenditures, other than the payments to the men, into one category, for I have shown that those payments to the returned men have dropped from 56 per cent in 1920 to 29 per cent in 1924. But had I dissected these percentage figures then as I propose to do now, it would not injure my argument and I do not think it would help the minister, for it will be seen that over the course of the five years those administrative charges have remained just about constant; they varied from 23 per cent of the total in 1920 to 26 per cent in 1924. It follows then that if the payments to the men have dropped and the administrative charges have remained constant, the percentage of salaries must have increased, and they have so increased from 20 per cent in 1920 to 45 per cent in 1924.

The controversy then turns on whether it is a reasonable thing to take out the expenditures for pensions from this set of figures in order to analyse the cost to the department. I think it is, but in that the minister and I do not agree. These costs had been dealt with separately before the amalgamation, and I do not think we should becloud the issue by including them in examining into the percentage costs of the department. The pension costs can certainly not have advanced since the amalgamation, and I contend that if the government had been thrilled with a desire to economize in all directions, very considerable economies could have been effected in this department.

Mr. BELAND: My hon. friend does not seem to repent of the broad and, as I consider it, unwarranted statement he made on a previous occasion. He refuses to take into consideration the administration of pensions; why he should take this attitude, I do not know. The administration of pensions is a very important activity of the department, relating, as it does, to the payment of small amounts monthly to pensioners and dependents of pensioners. A close check has to be kept upon all amounts paid out and upon all the transactions in connection with the making, repealing or altering of awards, births in the family of a pensioner, remarriages of widows, and so on. My hon. friend a moment ago, in what I am pleased to consider a well meant argument, stated that the administration of pensions at this day should be easier, less complicated or less involved than it was in 1916, 1917, 1918 and 1919. Well, I beg to disagree with him. I think I would be supported by medical men generally in the contention that the further we get from the war the more difficult it becomes to diagnose a case. Claims for pension or increases in pension have been almost innumerable during the last five years, and it stands to reason that the work of the medical officer is all the more difficult as we get further away from the time when the disability was actually incurred. If my hon. friend is fair I am sure he will agree with me in this regard. We are confronted with great difficulty when it comes to determining claims for pension at this time on account of war disability. The work, therefore, is more complicated, more involved, more difficult to-day than it was at that time. My hon. friend quoted a certain figure as representing the direct handing of money from the department to the men—what he is pleased to call cash payments. I do not agree with him on the figure, in the first place. Even leaving aside the pensions, which are paid direct to the pensioner, and which amount to a good deal more than he seems to contend, has my hon. friend taken into consideration the payment of claims under the insurance scheme?

Mr. STIRLING: I have included the following in the third category: Pay and allowance, vocational loans, interest on war service gratuity, unemployment relief, employers' liability compensation, recommendations of Pensions committee, repatriation, and compensation for death or injury re flying.

Mr. BELAND: Whoever prepared that statement for my hon. friend must have done so with the idea of making a case. Why did my hon. friend's informant not include insurance payments?

Mr. STIRLING: Where is that included in the Auditor General's report?

Mr. BELAND: I do not know whether or not it is included in that report, but I know that we pay large amounts in death claims every year. I could give the figures, but I do not think we should delay longer on this subject. Now, in this connection there has been a misrepresentation of the facts. My hon. friend says that services rendered to the men cannot be considered as cash payments.

Strictly speaking we can agree upon that. But if my hon. friend was taken ill on the road in front of my house and I invited him to come in and occupy a room in my house for two months; and if I had my physician administer treatment to him, and furnished him with food during that period, would he not consider, in the absence of any cash payment, that what he had received from me was equivalent to cash?

Mr. STIRLING: Certainly I would. I would put it in the category of those payments which have remained constant during the period we are discussing.

Mr. BELAND: What is the amount under that category?

Mr. STIRLING: $2,793,541.

Mr. BELAND: Again I do not think the statement can be borne out by the facts, because the care of patients alone is almost equal to that amount.

Mr. STIRLING: In the Auditor General's report the total is $2,453,842, in which are included salaries amounting to $172,181.

Mr. BELAND: Does my hon. friend include there the amount which is represented by orthopedic appliances?

Mr. STIRLING: I do not think I can offhand say where the different items were put in. That would appear from the items in the Auditor General's report.

Mr. BELAND: I will quote the amounts paid out in the various services:

Medical treatment in departmental and cutside hospitals for men..	$4,623,221 40
Pension examinations..	206,901 74
Orthopedic appliances..	322,673 62
Transportation of pensioners, funeral expenses, workmen's compensation, etc..	358,027 38

With other minor items, this makes a total of $5,648,188.40. With all due deference to my hon. friend I contend that these services are absolutely equivalent to money paid to the men. Not a cent of it goes for administration purposes. True, the money is paid in salaries; but does my hon. friend think that because public money is paid to the postmaster in his town or city for the service of receiving and delivering mail the public does not get the benefit of it? This I think illustrates my contention. Thousands of postmasters throughout the country render a definite service to hon. gentlemen in this House as well as to other citizens of the country. But does any of the money which is paid to them in the way of salaries reach the public? Not at all. Yet the public benefits directly from that service. The principle is the same in this case. The man who is treated in hospital, who receives the attendance of a doctor paid by the state, the attendance of a nurse also paid by the state; the man who receives drugs which are necessary in his case and which are paid for with public money; the man who receives from the hospital food which is provided by the same means, is benefiting directly although he gets no money. It is all very well to say, "You have paid the money in salaries to nurses, physicians, orderlies, laundry people and power plant men, and your expenditure is therefore made up largely of such disbursements." Well, I admit that it is made up largely of salaries. But you cannot dispense with the services of those to whom these salaries are paid. Let me ask my hon. friend in all sincerity, if he were in my place would he stop any of these services? He would not.

Mr. STIRLING: Is the minister referring to items paid to the hospitals for care of patients as items which I have considered in the category of salaries?

Mr. BELAND: What is the amount paid out in salaries for administration and other purposes as given in the report?

Mr. STIRLING: The salaries amount to $4,711,000 odd.

Mr. BELAND: These amounts are paid in salaries for services rendered to the men, and without those services the work could not possibly be carried on.

Mr. STIRLING: Why does the amount of salaries go on increasing year by year in proportion to the total?

Mr. BELAND: The amount paid in salaries is not increasing; it is decreasing year by year in relation to the total paid out annually. If you paid $24,000,000 five years ago in pensions and to-day you pay $34,000,000 it is obvious that more work is entailed. Indeed, the work is a great deal more difficult now than it was at that time. And the amount paid in salaries, as well as the number of medical men employed, is being reduced.

Mr. STIRLING: I am not contending that it is not. The amounts paid in salaries have decreased but the percentage on the total has increased.

Mr. BELAND: I do not admit that for a moment. The number of employees for administrative purposes has substantially decreased. It has been painful in many instances to make the reductions as rapidly as we have done, because one must bear in mind that the great majority of the men employed

in the department are returned men, many of whom, although I do not know exactly what proportion, are disabled.

Both under the late administration and under this government the number has been reduced by something like seven or eight hundred a year, and during the last thirteen months we have decreased the staff of the department by five hundred. On April 1, 1924, we had 2,922 employees and on May 1, 1925 the number was 2,422, or a difference of 500. Some of these employees are girls, but at least half of the staff consists of returned men, and it is neither a simple nor an agreeable task to dispense with their services after they have served the country in the way that our returned men have done. We have made the reductions as fast as we possibly could. I am just as much impressed with the necessity of economy as is my hon. friend, and the presence or the absence of the minister in the department represents only a matter of a few thousand dollars. My hon. friend may be in the House longer than I expect, but if he is here five years from now he will rise in his place and confess that these services are absolutely necessary, unless he wishes to contend that we should stop treating those men who require treatment.

Mr. STIRLING: I want to make it clear that this is not my intention in anything I have said.

Mr. BROWN: Has my hon. friend (Mr. Stirling) included, in that $4,000,000 that he has given, the salaries paid to nurses and doctors?

Mr. STIRLING: The largest item is $4,059,837, which appears as "salaries to staff and salaries at Ottawa."

Mr. BROWN: Perhaps the minister would give us the figures for the second category.

Mr. BELAND: I will hand the statement to Hansard.

Mr. BROWN: Have you the totals?

Mr. BELAND: I have. For the service provided under legislation and order in council—medical treatment in the inside and outside hospitals, the amount is $4,760,585.66. That does not comprise the salaries for administration. It does comprise, of course, the salaries of doctors, nurses, orderlies, those who examine the patients, and so on, but not the administration. For that I have another figure.

Mr. BROWN: Could the minister give us the salaries for administration?

[Mr. Béland.]

Mr. BELAND: The salaries for general administration amount to $1,806,358.88, and for medical administration—not medical attendance—$368,201.16. The amount for general administration expenses such as telephone, telegrams, light, heat and power, transportation and stationery is $59,941; total medical administration $428,142, or a total for administration purposes of $2,485,645.17. That is in the face of a total expenditure during 1923-24 of $51,000,000 odd. What difference would it make if, instead of placing the item for pensions in the estimates on another page, it had been placed under the Department of Soldiers' Civil Re-establishment on that page of the estimates we have now under our eyes? It would not make any difference at all. Only my hon. friend would be obliged to say "Oh the amount is not $10,000,000, it is $44,000,000."

Mr. MANION: Surely the minister would not contend that $34,000,000 spent for pensions is in the same category, for example, as $34,000,000 spent by the Department of Public Works, the Department of Agriculture, the Department of Railways, or any other department? Surely he would not contend that he should have anything like the proportion, or even a fraction of the proportion, of administrative costs in paying out $34,000,000 in pensions as in paying out $34,000,000 in the Department of Public Works?

Mr. BELAND: I agree with my hon. friend there. I do not think the administration charges should be as large for pensions as they would be in the case that he has cited, or as they would be in the case, for instance, of a hospital. Still the clerical work in connection with the administration of pensions is quite large.

Mr. MANION: Has the minister the figures for the clerical assistance in connection with the administration of pensions?

Mr. BELAND: No, I have not the figures separated. My hon. friend knows that the two branches were merged, and the accounts division and the audit division are the same for both.

Mr. MANION: How many employees were taken into the pensions branch?

Mr. BELAND: Eight hundred and eighty.

Mr. MANION: Those were taken from the pensions branch into the Department of Soldiers' Civil Re-establishment?

Mr. STIRLING: Surely the minister must agree that the expense connected with the payment of these pensions has decreased since the amalgamation?

Mr. BELAND: As far as the clerical staff is concerned I am informed it has decreased but I doubt whether in some other respects —like the medical examination of pensioners —it has really decreased or not.

Mr. STIRLING: Have not the medical boards been reduced in number in the last two or three years?

Mr. BELAND: Last year we had less. Well, I do not know exactly how many pension examinations we made a few years ago. Last year we made 40,000 such examinations. I think the number of doctors has decreased. I am not sure whether the number has decreased in the hospitals; it has decreased in the administration branch. As far as the pension examiners are concerned I am not in a position to say. Probably the number has decreased there also. The work is very difficult and very involved, and it is only by experience and by being in the position that I am to-day, that I can vouch for these statements. My hon. friends may be assured of one thing: we are not keeping one physician or one nurse that we do not require. My instructions to the officials are to keep the staff to the very lowest figure compatible with such proper discharge of the duties as the country demands. Those are the instructions and the heads of branches—the head of the medical branch and the head of the administration branch—have done all they could to reduce the staff. In very few instances have I imposed upon them the necessity of retaining someone for special meritorious reasons. They are there to testify that I have not in any way endeavoured to stop them from reducing the staff. And they have reduced it immensely; I think that has been admitted on all sides. Every one would wish that we had only 500 returned men sick and under treatment instead of three or four thousand; everyone would wish that we had less disabled returned men receiving a pension than we have. Unhappily this is a situation over which my hon. friends have no control nor have I. We have to take the situation as it is. This is a result of the war. It is deplorable that the war should have happened, but it has happened, and it has sent back to this country thousands of disabled men. We have actually 44,000 disabled pensioners, and 20,000 dependent pensioners—widows mainly—in this country as a result of the war. That entails a large expenditure. No one would like to have it reduced, if that were possible, more than myself. I find no satisfaction at all in authorizing this expenditure of money nor does the House; the only satisfaction we find is in the conscientious discharge of a public duty. I take this opportunity of saying that the department—generally speaking and in almost every respect—has been conducted above party lines. That generally speaking was true of the late administration and it has been the case with the present one. I think my hon. friends will acknowledge that I have not dismissed a great many men for political reasons in the department. Coming back to this item of capital expenditure I do not think there is any difficulty on that score. The amount spent during the year, which I said was $7,411, was only for ten months: for the complete period it is $9,000 odd.

Mr. MANION: At this late stage of the session I do not wish to occupy very much time in dealing with any question, and I shall only speak briefly on the subject under discussion. The hon. member for Yale (Mr. Stirling), it appears to me, deserves the gratitude of the House, even the gratitude of the minister himself, for giving his study to these figures, for having pointed out figures which certainly look rather strange when one studies them. There is no desire on the part of the hon. member for Yale, or on the part of any member, to do other than treat the returned soldiers, the pensioners, and all the dependents of those who did not come back, with the finest type of gratitude and generosity. There is no question about that. At the same time any money which can be saved in administration and any money which can be saved in the payment of unnecessary salaries is that much less money which the people of this country generally, including the returned soldiers themselves, have to pay. In regard to the figures given by the minister, I cannot quite agree that there are $34,000,000 paid out in pensions which should be dealt with in the ordinary way, in addition to the $10,000,000 of expenditure for this department. I am now giving rather large figures, I should have said $8,500,000 paid out by this department; because certainly a large proportion of the pensions after this stage of the war would be simply repetition where you would be paying out in an ordinary routine manner pensions which are permanent. For instance, take the man who is blind, the man who has lost an arm or a leg, or any of those men with permanent injuries which are obvious— and there is quite a large proportion of them—they receive their pensions in a routine manner from year to year. The work is nothing but simply sending out cheques. So that to suggest that the spending of the $34,000,000 on pensions is in the same category as spending $34,000,000 on

other lines of work would hardly be fair. I think the minister admitted to me that that was hardly on all fours. At the same time he implies that it is nearly so, and certainly it would not appear to me to be in the same category. History shows that in every country after every war new departments have been created, new staffs set up, new groups of men and women given employment, and it is difficult—I agree with the minister in that respect—to cut down the staff, and wipe out services and do away with departments. but in most countries they attempt to do it. I do not believe that in any country they ever come back after the war to the grade of expenses that existed before the war, but we should make it our endeavour, particularly with the heavy burden of taxation under which we suffer, to do our best to get back as far as we can to former conditions, because every economy that may be made is that much less money to be paid by the people generally and by the returned soldiers themselves. Without going more deeply into it, it would appear to me, looking at the figures superficially, that there is, if not too heavy, at least a very heavy proportion of the money paid out by the department in administrative expenses and salaries. I do. not say that the minister has not made an attempt to cut down some of the staff. I know that he has. Many hundreds have been laid off.

9 p.m.

Last year I spoke to some of the men around the country in the minister's department, and they told me that in certain branches of the department there was great overstaffing. I do not know that that is true this year, because I have not discussed the matter with them, but the salaries and administrative expenses would appear to be heavy on the face of it for the amount of money paid out, setting aside the pensions. I can hardly agree with the minister when he makes the statement that there have been no appointments or dismissals for political purposes. I do not know that such a proceeding has been general; I doubt if it has been, but I know of at least one case, and I have heard of others. One man in Port Arthur who had served overseas, the president of the Conservative Association, was laid off, to be replaced by a Liberal who had not served overseas, for no reason except that he was of the wrong political colour. I know of other sections where the same conditions prevail. I believe that in the near future we must attempt—and this is not with any intention of criticizing the minister in that respect—to put this department in with another department. I think the time has nearly come when we should do away with that department and put it under the Department of National Defence. It would appear that we have enough administrative powers to carry on the department without loss to the soldiers and without loss to the country, and I repeat that the minister might well be advised by the hon. member for Yale, who brought up the subject, to make greater efforts than he has in the past to cut down the salaries here and there, and from an administrative standpoint to reduce expenses where it can be done without doing injury to the soldiers or their dependents.

Mr. ROSS (Kingston): I should like to say a word, in regard to the general position which this department occupies. The work of the department, as I said three years ago, in the treatment of the returned soldier, will not be curtailed. I repeat—and I believe you will find it to be correct—that the number of men to be treated, while it has fallen for two or three years after the war, will begin to ascend in number. Never before did we have a war which had such far-reaching effects upon men. As far as the modern army goes, epidemics will never occur again. Scientific methods have removed the danger of an epidemic in the modern army, and if it does occur, it must only occur through the carelessness or negligence of those in charge. If you consider the effect of the late war upon the men who took part in it, by reading the papers every week you will find a record of some veteran who has suddenly passed away; some violent or sudden death will be recorded in nearly every weekly report. These are found to be due to causes of which I believe many of the medical men in charge of the treatment of returned soldiers are not aware. I have found, from constant contact with the men who served, and following them up since, that the effects of the war have not been studied by the medical men of the day as they should be. Referring to the effect on nerves, you can hardly go round any city or town where returned men are located without observing the effect of the war upon these men, and many are treating them as lead slingers, and so on, when they are really suffering from the effects of the war. Then I find that there are a great many men suffering now from the effects of gas. Bronchitis must be very frequent amongst those who were gassed, but due to lack of experience the treatment of these cases there is no great amount of sympathy in regard to them. I know that some of the expert advisers of the department can find no relation between the pulmonary troubles so frequent among those men and the

effects of gas which they suffered from, but it should not be very difficult to asscertain whether a man's suffering was due to the effects of gas. It would not be very difficult to find out whether he was really on service in the zone of battle, or if he had served in some unit which was quite removed from that zone. in the same way as, I said some two or three years ago, you have heart cases, kidney cases and tubercular cases. These must be on the increase because they will be progressive in character, and the department, instead of turning these men down as lead slingers, as is done in many cases should sympathetically and sincerely study the case of each man. I know the minister will say: Well, such is done. I cannot agree with the department that it is done, because I have personal experience with many men who are affected in this way as a result of the war.

There is another class of men, of whom the minister spoke last year, and as to whose treatment no action has been taken. That is the case of men who have aged from service. The minister knows as well as I do that there are dozens of those men who require treatment at the present time and who are not getting it. I have repeatedly requested that the government should take some action towards providing a home where these men could go for treatment. There is no use in sending them to general hospitals at the present time. The general hospital of to-day is a highly organized institution with an expert staff who will not consider that these men deserve or require that expert treatment which they should have. There are seasons of the year when this class of men will weaken, go down, and other seasons when they will, perhaps, revive and come up, and the government should provide a home where they can receive treatment as they become debilitated. These men require something in the way of particular nursing for a short time in order to bring them up again, and then they can be sent home. They are men who will never be able to do a full day's work and earn a complete livelihood, and they are not at the present time getting pension or treatment.

The great expense of this department has been brought about by unsympathetic treatment of returned men, and I am not talking now for the sake of votes or anything else from the returned men. It does not affect me whether I get that or not, but I am interested in their welfare. The government have had commission after commission. They have a pension department, a Department of Soldiers' Civil Re-establishment and now they have a Federal appeal board. I do not consider these were at all necessary, and I do not think the Federal appeal board amounts to a great deal as far as the men are concerned.

The returned men are not getting the benefit of government work. The Civil Service Commission, I think, are playing fair with returned men, but while government work is being carried on in different places, the returned men are not getting a fair deal in regard to it. We should remember there are many men affected by the war who cannot do a full day's work, and when government work is being carried on, these men should have the first chance.

As regards further expense, the department has made some curtailments, but it should keep in mind that where positions are available, returned men should get advantage of them. If you take up the departments one by one, in some cases a fairly good distribution has been made, but I think the returned men can get a little better treatment than they are getting. In 1923, in the Accounts branch there were 72 employees, 33 of whom were women. To-day there are 51 of whom 23 are women. In the Central Registry, in 1923, there were 138 employees, of whom 61 were women, and in 1924, there were 104 employees, of whom 38 were women, two of these being married women. There are a number of these cases where the minister might explain why married women are being retained. It may be that they are widows or are selected for some particular reason, but there are a number of married women in the different branches. In the pay branch, pension division, in 1923, there were 34 employees, of whom 14 were women. Last year there were 41 employees of whom 10 were women. In the records branch, in 1923, there were 81 employees of whom 44 were women, and in 1924, there were 60 employees, of whom 20 were women, two of them being married women, and so on.

Last year I made a reference—and I think it has brought about some improvement—to the fact that a very frequent occurrence in all branches was that where employees were taken off one branch they were added to another. As a result, when reductions were made through all these branches, the Department of Soldiers' Civil Re-establishment was busy building up a very large imperial pay pension department. I pointed out that where we were paying some $34,000,000 in Canadian pensions, about 62 employees were retained, but when it came to the imperial pension pay department, paying out $7,000,-

000, some 122 people were employed. That has been reduced now to 95, which I still think is a little too large. I cannot understand why 95 employees are necessary for paying out,—I think, the amount has now been increased to $10,000,000. Of these 95 employees 22 are women. As a result of the decrease in staff of these branches, we are now building up a very large Federal appeal department, the number of the employees in that department having increased to fifty. It is interesting to draw the attention of the committee to these several departments, and I think a reduction can be made. I am sympathetic with the minister in his endeavour to lead the committee and the country to believe that this department is still a very necessary one. A great work lies before the department, and I think it should undertake a general review of the whole pension field, because the men point out that to-day certain ones are receiving pensions which they never really earned, while others who were affected by active service have to fight every inch for any compensation they may receive. That is something which I think should be reviewed by medical men of the very highest professional standing in this country. I think the minister is effecting a reduction in the staff, but I am pointing out to him that those who disappear off the payroll of one department will be found on the payroll of another department the following year, and this has been complained of frequently this session.

Mr. BELAND: I thank my hon. friends from Fort William and Rainy River (Mr. Manion) and Kingston (Mr. Ross), not for their criticism that the department is not perhaps administered as it should be, but for their constructive suggestions. Last year my hon. friend from Kingston made certain suggestions which we have endeavoured to carry out. As regards the decrease in the staff, it is true the Federal appeal board was created some two years ago, and this entailed the appointment of additional employees, but the reduction of five hundred which has been effected during the past twelve or thirteen months takes in also the staff of that board. You cannot expect the process of reduction to go along faster than that. It does not make any difference whether there is a minister or not, the department or the branch, in other words, the service, will remain. Perhaps it is not absolutely necessary that a minister should be directly in charge of it, but some minister will have to have the branch under his charge and the service will have to be maintained. It is perhaps in order that I should say that I do not entirely share my hon. friend's view that the medical men of our service do not stand at the very head of their profession throughout Canada. In all our main cities we have in our service such men.

Mr. ROSS (Kingston): Will the minister permit me to intervene? I agree with him that he has throughout the country men of the highest professional standing, but their reports are reviewed by men of lesser experience and not so prominent in their profession.

Mr. BELAND: I see my hon. friend's point. The Board of Pension Commissioners have at their disposal nine medical advisers, all men of great ability, but of course I do not know whether they stand as high in their profession as some of the medical men in Toronto, Montreal and other cities who make reports to them. But they were in the department when I took charge, and if an appointment had to be made, no minister would undertake to refuse to appoint the medical man whom the board recommended. The board is a judicial body and entitled to a certain amount of authority in the discharge of its duties. It may be that at times reports that are sent in by medical men of the highest professional standing in Vancouver, Winnipeg, Toronto, Montreal and Halifax, to headquarters, are turned down; undoubtedly in some instances this has happened, but wherever I have tried to ascertain whether this action could be laid at the door of medical officials of the board of lesser knowledge, I have failed to find that such was the case. After all, it is a matter of appreciation of the facts. In some cases, like my hon. friend from Kingston, I have thought that the reports justified the granting of pensions, and had I the same authority as the Minister of Pensions in England, I would have awarded pensions on the strength of those reports. But my judgment is not infallible, and probably the board was right. It must be remembered that out of a thousand cases you will hear a lot from one dissatisfied claimant, but you will never hear a word from the 999 satisfied pensioners. They do not complain. Why should they? My impression is that if a hundred more pensions had been awarded during the past ten years, you would not have heard any complaints. That is a small number out of the 64,000 pensions awarded, but I suppose nobody would undertake to say that those hundred cases were absolutely entitled to pensions. The board may have made some mistakes; I think they are ready to admit that they have; but who does not make mistakes? I am not here to defend the board; they are absolutely independent of me. I would never

undertake to recommend to them the awarding of a pension, for it is beyond my function; nor have I ever asked them to cancel a pension, for it is not my duty. I have in thousands of instances brought to their attention cases and asked them to reconsider the circumstances, but without making the slightest intimation to them as to what their decision should be. Let me add that I accept with a good grace all the recommendations that have been made by my predecessor and the hon. member for Kingston, and will give them my very careful consideration.

Mr. SHEARD: Has the department any information regarding two suicides which took place among the returned men in the Westminster hospital, London, Ontario? I am not prepared to say that these cases ever did occur, but I am told that one man, Garnet Ellis, who was formerly an engineer in the gaol farm, Toronto, cut his throat, as did another man, although they were both under observation at the time. Has the minister any knowledge of these cases, or has he heard anything about them?

Mr. BELAND: Personally I have never heard of any such case in the Westminster hospital, which is the main mental hospital of the department, located at London, Ontario. I am informed by the deputy minister that he does not know of any such case. It may have been an accident of which the report was somewhat exaggerated. Of course it is possible that such cases would occur among the mentally deficient.

Mr. MANION: I had a letter some time ago from a patient in which it was stated that tubercular patients—I think it was in the Westminster hospital—were kept in the same section as drug addicts. Is there any truth in that?

Mr. BELAND: There would be drug addicts among the mental cases in Westminster hospital, but unless they were tuberculous I do not think they would be kept in that section.

Mr. MANION: He claimed that in the tubercular ward there were some drug addicts who were not tubercular and who were a nuisance to tubercular patients; moreover, the tubercular patients would naturally be a danger to the drug addicts. If the statement is true, the condition should be corrected. I know nothing whatever of it; I simply put it before the minister for what it is worth.

Mr. BELAND: I shall make inquiry.

Mr. MANION: On May 6th, I asked the minister the following questions:

1. Have any employees of the Department of Soldiers' Civil Re-establishment been given permanent status by the minister without reference to the Civil Service Commission?

2. If so, what are the names and salaries of such appointees?

3. Under what authority was such permanent status given?

In reply the minister gave a list of some twenty-four officers who had been made permanent, at salaries ranging from $4,000 to $5,000 a year. He stated also:

The Deputy Minister of Justice has advised that the minister is competent to make such appointments under para. (b) of sub-section 2, of section 5, of the Department of Soldiers' Civil Re-establishment Act.

And so on. Some of these are doctors and some are not. I do not know these twenty-four men, but why should they be put on the permanent list at this stage? Moreover, the salary would appear to be higher than it should be. A man on temporary work would naturally receive more than a man whose position is permanent, but my understanding is that these men have been put on the permanent staff at the same pay that they were receiving under temporary employment. Why was that change made?

Mr. BELAND: These men are permanent not in the ordinary sense of the word but simply for the purposes of the Superannuation Act. So far as the salary is concerned, they were classified according to the rules adopted by the Civil Service Commission. In the case of those whose positions were likely to last over ten years, for instance, we found that they would be precluded from enjoying the benefits of the Superannuation Act owing to the fact that their employment was of a temporary character, and the Department of Justice gave the opinion that if the minister declared these positions permanent the officers in question could be considered by the Department of Finance as eligible to come under the Superannuation Act.

Mr. MANION: These men could be dropped from the service at any time, by my hon. friend or any other minister, if necessary?

Mr. BELAND: Yes, at any time.

Mr. MANION: Is there any likelihood of the minister making another large group of officials permanent in the near future?

Mr. BELAND: I asked the officials of the department to make a very careful review of the staff, but as to the exact number who may come under that category I cannot say. Pensions will run over forty years, and there

will be employees in the department forty years from now. Others will not be there that long; some will be employed ten, fifteen or twenty years. Some have already been there seven or eight years. It would seem to be unfair to deny them the opportunity of enjoying the provisions of the Superannuation Act.

Mr. MANION: The matter had been drawn to my attention and I was wondering how it could be done. Personally I did not think the minister had any right to do that; however, he has the authority of the Justice department and of course I do not wish to differ from that; they know much better than I do. But at this stage it would seem that we should rather be trying to undo some positions than to make more permanent positions. I do not say this in any spirit of criticism. So far as my remarks to-night on this or any other subject are concerned I am not in any way attacking my good friend the deputy minister of the department, a gentleman with whom I have had the pleasantest relations and for whom I have the utmost respect. But I am speaking entirely from the standpoint of economy, and it seems strange that these men should be made permanent at this time. It might be quite a lever in the hands of a minister. Of course it would not be in the hands of my hon. friend, but it would be in the hands of a minister who is not so conscientious as he is; it would give him an opportunity to make a great many men permanent just prior to an election. I should not think for a moment that the present minister would consider such a thing. But the life of the present minister is not as permanent as the jobs of some of these men who are being made so, and I would suggest to him that he defer the changing of status of these men from temporary to permanent until after the next election and let some of the rest of us attend to that for him.

Item agreed to.

Care of patients, $2,350,000.

Mr. BELAND: There are at present nine departmental institutions operated by the Department of Soldiers' Civil Re-etsablishment. They are:

Hospitals Operated by D.S.C.R. January 1st, 1925

Unit	Name	Location	Type of Institution
"A"	Ste. Anne's hospital.	Ste. Anne de Bellevue, Que.	Mental, T.B. and general treatment Hospital.
"B"	Camphill hospital.	Halifax, N.S.	General treatment hospital.
	Lancaster hospital.	St. John, N.B.	General treatment hospital.
"D"	Christie street hospital.	Toronto, Ont.	General treatment hospital.
"F"	Westminster hospital.	London, Ont.	Mental hospital.
"G"	Deer Lodge hospital.	Winnipeg, Man.	General treatment hospital.
"I"	Colonel Belcher hospital.	Calgary, Alta.	General treatment hospital.
	Central Alberta San.	Robertson, Alta.	T.B. Sanatorium.
"J"	Shaughnessy hospital.	Vancouver, B.C.	General treatment hospital.

These are the hospitals which are under our direct administration, and the number has been reduced by two during the year. Two sanatoria were also transferred from the department to the proprietors, one in Kingston and the other in Nova Scotia, which was handed over to the province. As to the number of patients, on January 1, 1924 there were 3,744 and on January 1, 1925 there were 3,704, or a reduction of only forty during the year. This reduction may strike hon. members as being rather small, but I can assure the committee that no man is being treated who does not deserve treatment. This is the total number of patients in the care of the department at the present time, but it does not include the care of men who come for clinical treatment at the departmental clinics in the different units, the number of whom runs into hundreds of thousands in one year. I might make the following classification of these patients:

Class of Patients—	February 21, 1925
Inpatients on pay and allowances..	3,042
General treatment..	1,560
Tubercular..	761
Mental..	721
Outpatients on pay allowances..	79
General treatment..	60
Tubercular..	13
Mental..	6
Total patients on pay and allowances.. ..	3,121
Inpatients not on pay and allowances..	583
General treatment..	233
Tubercular..	58
Mental..	292
Total soldier patients..	3,704
Total civilian patients..	128
Grand total patient strength..	3,832
Number of clinical treatments..	162,989
Weekly average clinical treatments..	2,859

Outside of the departmental institutions there are a large number of patients in hospitals with which we have an arrangement for accommodation.

Mr. HANSON: Where are the tubercular patients in New Brunswick being treated now? Have you given up the sanatorium at River Glade?

Mr. BELAND: River Glade is no longer under the department. I have mentioned only those institutions which are administered by the department directly. In River Glade we have an arrangement with the authorities for the care of patients there.

Mr. HANSON: Are any patients kept in the East St. John Tubercular hospital?

Mr. BELAND: Yes, there are fourteen in one institution and twenty-seven in the other.

Mr. LADNER: The minister referred to pay and allowance, but I see that pay and allowance is included in the general item further down the list. What would be the difference?

Mr. BELAND: Those who are in the hospital for observation and special mental classification do not receive any pay and allowance.

Mr. LADNER: There is a decrease in the item this year of $250,000. Is that in the nature of a reduction in the annual expenditure, or is any capital involved in it?

Mr. BELAND: There is no capital involved in it. It comprises mainly food, fuel, light, power, water rates, medical and surgical supplies, dental equipment, laundry, maintenance of furniture and equipment, hospital and janitor supplies, patients' clothing and comforts, taxes and insurance, freight and express and other charges, and so on. There is a general reduction in food. There is a general reduction in the items I have mentioned, up to the total my hon. friend refers to.

Mr. LADNER: The reduction in food will be only such a reduction as would correspond to the consumption by forty patients.

Mr. BELAND: The cost per patient per day has decreased somewhat. Perhaps it is due to the lower cost of food or to closer supervision and better administration. There certainly is a slight reduction, and there has been year after year, in the cost of food. Then there has been a reduction in outside hospitals where we have a number of patients. The statement includes equally the transportation of patients and pensioners who are called in for examination. When a soldier writes to the department and complains of a war ailment if we have no man in the vicinity, he may be called to the nearest unit and there examined, in which case his transportation charges are defrayed by the department. It also comprises the expenses of escorts, in case a man cannot travel alone, and the burial of patients.

Mr. LADNER: How many tubercular patients are there in British Columbia?

Mr. BELAND: I do not think I am in a position to give the exact number. I am satisfied, however, that a great many tubercular patients who are not in institutions have moved out to British Columbia on account of the better climatic conditions there.

Mr. LADNER: How many institutions are there?

Mr. BELAND: We have only one institution for tubercular patients, and that is at Tranquille, Kamloops, where there are thirty-four patients. We have also under observation a certain number of patients in Shaughnessy hospital.

Mr. ROSS (Kingston): In connection with the care of patients there are a number of matters I should like to draw to the minister's attention. Earlier in the session I placed a motion on the order paper in regard to the fines imposed on patients in the hospitals of the Department of Soldiers' Civil Re-establishment. Since then some action has been taken in the matter, and the minister has restricted in some way the very frequent fining of patients. I should like to know what action has been taken in this regard? My point is that those who are not directly under the department of Soldiers' Civil Re-establishment should not have the right of imposing fines upon patients without trial.

Mr. BELAND: Of course disciplinary methods have been adopted in all hospitals. In some cases my hon. friend is of the opinion those measures have been too severely applied. The motion my hon. friend placed on the order paper had reference to these disciplinary measures, and in some instances we have thought that in order to avoid complaints on this account the superintendent of the hospital should not apply such measures without referring the case to the unit office; that in the case of the Kingston hospital, for example, the superintendent should not apply disciplinary measures without referring them for judgment to Ottawa where the head of the unit is established.

Mr. ROSS (Kingston): I want to draw the minister's attention to the fact that in some cases there was a regular trial, but in other

units there was no trial whatever: the man was simply brought up before the superintendent or officer in charge and told "You are fined a dollar" or "You are fined a day's pay," and this, that and the other. In such cases the man had no right of appeal whatever. In the army a trial of the fairest character is granted. The accused has the right to say whether his commanding officer shall try him, or whether he shall by tried by court-martial. In any case he has the choice of someone to defend him and the evidence is formally taken. In many of the cases to which I am alluding there has been no trial whatever. In some instances an old veteran has been fined a day's pay, or fined an amount of something over $3, for breaking a clinical thermometer which is never charged up in the general hospital. In other cases a man has been fined $2 or $3 for being twenty minutes late or staying out at night, without being given any trial or the opportunity of defending himself. I think it only needs to bring the matter to the minister's attention to insure that in future such fines will not be imposed on patients without a trial being granted, the evidence recorded in writing and the accused given some chance of defending himself. I know of a tubercular case being fined a day's pay simply because he used good judgment, and instead of travelling during the night stayed over and came on next day. Any sensible person would have said that was only common sense. In another case a man who lived out in Saskatchewan took his leave by going out on a farm, and while he was there on this leave a heavy rain came up which prevented him from returning the next day. He was immediately called up and fined a day's pay without being able to present any defence whatever. Later on it was found that there were legitimate reasons for his action, but no effort was made to refund the fine or to have the punishment wiped from the records. When these cases come up for future treatment and the records are referred to it will be said "You have been twenty minutes late", or "You have been out over night" or "You are a bad and incorrigible case and we cannot consider you any further," or "You have been drunk once" and so on. The record will be there and although the man may have suffered an injustice it has never been looked into. These men were never angels on active service, some of them were accustomed to get drunk occasionally, but we found they were very often the best soldiers and the record of their services at the front will show this. I hope that as a result of drawing the minister's attention to these cases he will see that whenever a fine is imposed in these institutions the man shall be given a fair trial and be afforded an opportunity of making his defence.

[Mr. A. E. Ross.]

Mr. MANION: Will the minister give the committee some figures as to the number of patients who are being treated for tuberculosis and the cost of treating them throughout Canada.

Mr. BELAND: I will give the number of tubercular patients on pay and allowances during the period from 1919 to 1925 inclusive:

1919	1,486
1920	1,096
1921	1,054
1922	982
1923	869

On the first of January, 1924, we had 859 and on the 21st February, 1925, we had 761. That is the number of patients on full pay and allowances. We had thirteen out-stations and 58 patients not on pay and allowances on probation, making a total of 800 odd.

Mr. ROSS (Kingston): Has the minister the record in the same way by years of the number of deaths?

Mr. MANION: I would like to get the total figure, not only for the pay and allowances, cost and upkeep and so forth, but the whole cost to the country of these men.

Mr. BELAND: I am afraid I will not be in a position to give it, but I can give some information which will enable my hon. friend to make out the figure for himself very easily. I will take for instance the central Alberta sanatorium, the cost per patient was extremely low, being $2.90, but I must say that in other institutions we paid a good deal more. For instance, in the Tranquille sanatorium we paid $3.50 per day. In the Fort Qu'Appelle sanatorium we paid $3.32 per day, and the King Edward sanatorium at Winnipeg, $3.00. Then in the Ninette sanatorium in Manitoba we paid $2.84. In the Byron sanatorium near London, Ontario, the cost was $3.03 per day. In the Calydor at Gravenhurst, which is an expensive place, we paid $4.59. Those were patients under the supervision of Dr. Parfitt, outstanding specialist in cases of tuberculosis. In the Mountain sanatorium near Hamilton, we paid $3.07. In the Jordon sanatorium, New Brunswick, we paid $3.20, and in the St. John county sanatorium we paid $2.66. At the Kentville sanatorium in Nova Scotia we paid $2.55. I have not the average, but it is about $3.10 per day for tubercular patients. Regarding

deaths, I think I have some information which is somewhat interesting. During the year 1924, for instance, we had 170 deaths amongst tubercular patients. In the year 1924 we admitted to hospitals in the department or outside the department, for treatment for tuberculosis, 156. We discharged 1,284. There were some transfers.

Mr. ROSS (Kingston): You admitted 1,256.

Mr. BELAND: We discharged 1,284 during that year.

Mr. ROSS (Kingston): And 170 died?

Mr. BELAND: Yes. We were left on the 31st December, 1924, with 793. The figures I have here are of a somewhat later date. The average strength in 1924 of tubercular patients was 839 per month.

10 p.m.

Mr. MANION: Has the minister the figures of the number in each of those different sanatoria where they are being treated?

Mr. BELAND: I think I have the information here. It is as follows:

	Patients
Kentville	67
East St. John	14
River Glade, N.B.	27
Hamilton	63
Gravenhurst	17
London	117
Ninette	40
Winnipeg	4
Fort Qu'Appelle	45
Tranquille	34
Total	428

Mr. MANION: What was the average cost of treating the ordinary patient in the various hospitals?

Mr. BELAND: The average cost of all the patients was $2.94 per head.

Mr. MANION: Does that include tubercular patients?

Mr. BELAND: It does in our own hospitals:

Ste. Anne's	$2 58
Camp Hill	2 95
Lancaster	3 29
Christie st.	3 69
Westminster	2 46
Deer Lodge	2 43
Central Alberta	2 90
Col. Belcher	3 86
Shaughnessy	3 48

Average cost per patient per day, $2.94.
Total patient days for six months 310,681.

Mr. ROSS (Kingston): I think the figures disclose an interesting point, because it is well known that the death rate for tuberculosis is falling generally. If the figures are correct there is a mortality rate of 13 per cent among returned men, and I think that should appeal for pretty free and sympathetic treatment of returned men. There is no doubt this is due to reduced vitality, the effects of the war. Does the minister still follow what is a very good policy, in the case of men being dissatisfied during treatment for tuberculosis of having them transferred to other points for treatment or to other institutions? The department was very lenient and very sympathetic in that way. There is no disease which requires a quiet mind and a satisfied condition and contentment, if the patient is to benefit by it, more than tuberculosis, and although the men may become what you may call a nuisance, and so on, yet I think the department should do everything in their power to produce a contented mind in the treatment of this disease, and if a man is dissatisfied in one institution there should be no hesitation in having him removed to another. I consider this is one place where they might disregard the question of economy for the benefit of the returned men.

Mr. BELAND: That is our policy. We have always regard for economy, but when we think a patient may benefit by a change, we do not hesitate to make a change.

Mr. ROSS (Kingston): What means has the department of knowing when a man is discontented?

Mr. BELAND: We have the report of the superintendent and the report of the man himself. I am in receipt of many letters in this connection.

Mr. ROSS (Kingston): Has the department still the practice of inspection of hospitals by some official?

Mr. BELAND: Yes.

Mr. ROSS (Kingston): Who are the inspectors at the present time?

Mr. BELAND: We have the regular inspector, that is Dr. McCombe, and, of course, the director of medical services himself. At the present time he is on a tour of inspection of hospitals under his direction.

Mr. ROSS (Kingston): Has the minister in mind at all that, perhaps, he would get a better result if now and again he would call in an outsider and ask him to visit these institutions in order to see that the men were getting fair treatment and were satisfied?

Mr. BELAND: Dr. McCombe is a sort of outsider. Of course, any man that we may ask to make an inspection will have to be

paid by the department. I do not think Dr. McCombe, prior to being employed for this special work, was employed by the department. He is a part time man, and he goes two or three times a year over all the hospitals, and makes reports upon conditions prevailing as regards, not only the patients, their treatment, behaviour and mental contentment, but the medical staff and the nursing staff.

Mr. ROSS (Kingston): I have great confidence in Dr. McCombe, but I did not know he was regularly visiting these hospitals now.

Mr. BELAND: Yes. He visits the hospitals about twice a year. I have regular reports from him.

Mr. ROSS (Kingston): Does he make it a point to see each patient in the institution?

Mr. BELAND: I will not say definitely whether he sees every patient individually, but I am sure he inspects all the wards.

Mr. ROSS (Kingston): I would like to see the inspection carried on differently. The inspector should go into an institution, and without being accompanied by any of the staff, he should go around amongst the patients, take up their complaints and see that they are forwarded to the department, because sometimes the officials of an institution have a little bit of awe surrounding them which will keep patients from making complaints.

Item agreed to.

Vocational expense, $5,000.

Mr. BELAND: The number of vocational students is very much reduced now. It is down to 84.

Mr. MANION: How much was spent last year?

Mr. BELAND: For the ten months prior to the 31st January, $3,628.

Mr. ROSS (Kingston): Has the minister a vocational department at Kingston?

Mr. BELAND: No.

Mr. ROSS (Kingston): What is the term used to describe the work that is carried on by the department?

Mr. BELAND: Vetcraft—a sheltered employment workshop which we have in different cities.

Mr. ROSS (Kingston): Where do they work in Kingston?

Mr. BELAND: I have no information.

[Mr. Béland.]

Mr. ROSS: The only work the department provides there is in the post office. I do not think there is any shop.

Mr. BELAND: We have no shop there, but a few that are employed outside.

Mr. ROSS (Kingston): This is the kind of employment they get. Men who cannot work are allowed so much a month; then they are sent out on different jobs, and whatever they earn is deducted from their allowance. I know of a diabetic case, a poor fellow who can hardly drag his two legs around, who is sent out on collections covering the whole city, and the few cents he earns are deducted from his allowance. That is what is known as the restoration of vetcraft. There is a good deal of dissatisfaction in that respect. If a man gets a few pills, he has to report every day no matter what condition he is in.

Item agreed to.

Salaries—	
Administration	$1,275,000
Insurance and training	75,000
Hospitals and clinics	1,750,000

Mr. MANION: Would the minister give us an explanation of this item?

Mr. BELAND: The total administrative and clerical staff is 1,034, distributed as follows:

Head office; four administrative officers, seven chief clerks, eight head clerks, eleven principal clerks, forty-six senior clerks, 175 clerk stenographers, 135 junior clerks, nine messengers.

A unit: One administrative officer over $3,600, one chief clerk, two head clerks, eight principal clerks, sixteen senior clerks, thirty-five clerk stenographers, seven junior clerks, two messengers.

B and K units:

That is the Maritime provinces.

One administrative officer, no chief clerk, four head clerks, six principal clerks, eighteen senior clerks, twenty-three clerk stenographers, fourteen junior clerks, two messengers.

C unit:

That is Ottawa outside of headquarters.

No administrative officer over $3,600, one head clerk, three principal clerks, eleven senior clerks, thirteen clerk stenographers, ten junior clerks, three messengers.

D unit, Toronto: Two administrative officers over $3,600, one chief clerk, eight head clerks, twelve principal clerks, thirty-eight senior clerks, 106 clerk stenographers, twenty-five junior clerks, two messengers.

F unit, London:

Now a sub-unit.

No administrative officer, no chief clerk, one head clerk, three principal clerks, seven senior clerks, seventeen clerk stenographers, twenty-four junior clerks, one messenger.

G unit, Winnipeg: one administrative officer over $3,600, one chief clerk, two head clerks, three principal clerks, seven senior clerks, twenty-three clerk stenographers, nine junior clerks, two messengers.

H unit, Regina: no administrative officer over $3,600, one chief clerk, no head clerk, two principal clerks, four senior clerks, fourteen clerk stenographers, four junior clerks, four messengers.

I unit, Calgary: one administrative officer over $3,600, no chief clerk, two head clerks, four principal clerks, sixteen senior clerks, twenty clerk stenographers, eight junior clerks, two messengers.

J unit, Vancouver: one administrative officer over $3,600, no chief clerk, three head clerks, five principal clerks, sixteen senior clerks, thirty clerk stenographers, eleven junior clerks, two messengers.

M unit, London, England: one administrative officer, no chief clerk, two head clerks, one principal clerk, no senior clerk, five clerk stenographers, two junior clerks, two messengers.

That is only the administrative and clerical staff. Then there is the professional and technical staff.

Mr. MANION: That is sufficient.

Mr. BELAND: There are 2,317 temporary and 176 permanent employees, making a total of 2,493 as of February 20, 1925. This total has since been reduced, and is now 2,422.

Mr. MacLAREN: Would the minister inform the committee whether he is further considering the establishment of soldiers' homes rather than continuing the present system of hospitals? I suppose there must be now a very considerable number of patients that do not require active treatment, men who may return to the hospital several times each year. I think it is well worthy of consideration whether the time has not arrived for the establishment of homes to replace some of the military hospitals. I would presume that in this case the expenses of administration and nursing would be considerably reduced.

Mr. BELAND: Yes, this matter has engaged the attention of the department for the last two years. As a matter of fact the parliamentary committee recommended that the establishment of soldiers' homes should engage our attention to provide for those soldiers for whom treatment cannot be of any further benefit, as my hon. friend has said. It is difficult to say what the exact number of these men would be, but in order to meet the situation we have thought we should reserve in some of the hospitals a ward to provide them as an asylum. The department would house, feed and clothe the men, and in most cases they would make their own bed and in other ways attend to themselves. Usually their ward disability is small, but other disabilities prevent them from taking up work of any kind. With that in view, we have adopted an order in council, a copy of which I shall be glad to send to my hon. friend at any time, but he can find it on page 46 of the departmental report. It sets out the conditions under which these patients may avail themselves of this opportunity. So far, I am informed by the director of medical services, we have only seven patients who have been transferred from active treatment to another ward where they do not receive pay and allowances. We started this system two months ago and we are making the selection very carefully. The director of medical services has instructions to review all the hospitals and try to segregate these cases. In the ordinary course these men should be discharged from hospital, but occasionally it is almost impossible to do so, for it would mean putting them on the street. We offer them the option of remaining in the hospital without pay and allowances, they receiving the pensions that the board awards to them. If the pension is large enough we retain a certain amount for their maintenance. I fancy this scheme will be a great relief to such men, for their families are relieved of the obligation of maintaining them, and having become accustomed to the hospital the men find themselves more or less at home. Undoubtedly they will in large numbers avail themselves of this opportunity, and I think the saving in expense will be considerable, as my hon. friend has pointed out.

Mr. MacLAREN: Are there instances now where the work is being carried on by the civil hospitals rather than by the special military hospitals?

Mr. BELAND: We have patients in those institutions. In some cases it is more convenient for the department to treat them in some general hospital, as for instance in the Royal Victoria hospital at Montreal.

Mr. ROSS (Kingston): Does your inspector of medical services also inspect these cases in the general hospitals?

Mr. BELAND: Not unless complaints are made as to the treatment, or there is other special reason for doing so.

Mr. EVANS: It seems to me that the examinations of the men should be made on more sympathetic lines. I do not blame the doctors at all, but I think the examinations should not be carried out on such hard and fast technical lines. I have in mind the case of a man who is trying to make his living as a letter carrier. He has practically lost all feeling in his feet and sometimes has to lay off altogether, yet he cannot receive a pension. Another man who was in fairly good health for a while after discharge died last year and it is plain to everyone that his death resulted from his war experience, yet his wife and two

little ones are left without support. In another case a man had to have his leg off nearly two years ago and he has never received any help; I think even his hospital bill is still charged up against him. It may be said that this man brought on the disability through his own recklessness, but even at that, these fellows faced death in the trenches and I do not think we should leave them without means of making a living. These cases should be more sympathetically dealt with.

Mr. MANION: Would the minister give us a short statement with regard to the insurance—how many are insured, what amount is carried, and so on?

Mr. BELAND: With regard to the remarks of the hon. member (Mr. Evans) I may say that the department endeavours to take a sympathetic attitude towards cases which come to their attention. The medical examination is generally very carefully made. I do not say in some instances there is not ground for complaint; it is only human nature that some doctors, through pressure of business or otherwise, do not give to a particular case the attention it should have received. If any such cases are brought to my attention I take the necessary steps to rectify them, and if my hon. friend will take these cases up with me I will try to satisfy him. As to the inquiry of my hon. friend (Mr. Manion), up to December 31, 1924, there were 990 claims under the insurance scheme, the amount involved being $2,940,500. Of the 990 there were settled by cash or annuity up to December, 1923, 498, and from January to December, 1924, 183, a total of 681, leaving a balance of 236. Of that number 158 were cancelled up to December, 1923, under section 10 of the Returned Soldiers' Insurance Act, which provides that if the beneficiary be in receipt of pension, only the larger amount shall be paid. Last year 78 more were cancelled for the same reason, making a total of 236. Claims pending settlement on December 31, 1924, numbered 73. Total number of policies in force on January 1, 1925, 27,666, involving a liability of $61,404,500. We have a premium income which for the year ended December 31, 1924, amounted to $1,742,235. We had a balance in the treasury as at December 31, 1923, of $1,696,656 making a total in the treasury on December 31, 1924, of $3,438,892.48. During 1924 the expenditure was $545,045.04, so that on January 1, 1925, there remained a balance of $2,893,847.44. This department so far has been self-sustaining and will be for a number of years, but as the expectation of life diminishes more claims will have to be paid, and it is not in my power to say what will be the outcome. It is possible that in the future the government will have to lay out some money in this connection.

Item agreed to.

Pay and allowances—treatment, $1,750,000; training, $60,000.

Mr. BELAND: This amount is paid in cash to the men under treatment or under training. There will be no difficulty over it, because it goes entirely to them. The pay and allowances are regulated by an order in council passed many years ago. There is so much per day for the man and pay and allowance to his dependents if there are any. There is a decrease in the item of $290,000.

Mr. ROSS (Kingston): There are a few men whose cases are very sad. They are receiving compassionate treatment in the hospitals and their position is most critical, as they have no money and are altogether without any means of securing assistance. I know of one man, who has no relations whatever, whose only means of getting even enough money to have his hair cut is fortune-telling. Could not the department extend a little better treatment to these men who to-day are left to the care of the Red Cross and other charitable institutions? Two or three men that I know of are absolutely without any means.

Mr. BELAND: They are receiving the best consideration. My hon. friend says he has two or three cases in mind; I have more than that. I have received a number of communications in regard to men who are apparently not entitled to treatment by the department and who claim that at least they should be treated without pay and allowance. In the case of many of these men we attempt if possible to relate their disability or disease to war service, and in the meantime they are being treated without pay and allowance.

Mr. ROSS (Kingston): In many cases the condition of these men is, I fancy, due to a difference of opinion among the medical men, one attributing their disability to war service and another differing from this view. I have always understood that wherever there was a doubt the department gave the returned man the benefit of it; and as I say, the condition of some of these men is most pitiful.

Mr. BLACK (Yukon): I desire to direct the attention of the committee to a state of affairs which, if it is as disclosed by the

communications I have received, is one that requires the immediate consideration of the government. Here is a letter I have received from Edmonton:

Enclosed you will find a resolution as passed by the Edmonton branch of the Amputation Association of the Great War. For some time past the association has been urging on the Dominion government the necessity of adopting an artificial leg of much lighter make than the one now in use. And I understand the government have gone as far as to enter into negotiations with DeSouttars of London who manufacture aluminium limbs, but decided the expense would be too great, and they are willing to try a limb of metal in part which is as yet only in the experimental stage, and are not in a position to tell what the expense may be before proving satisfactory, if ever.

At the present time men are still wearing the same old wooden (willow) legs as supplied some eight or nine years ago. I understand the British, South African, Australian and New Zealand governments have all adopted the DeSouttarr legs and are supplying amputation cases with same. The limbs as supplied by the government weigh from seven to nine pounds, while the metal legs weigh from two and one-half to three pounds, complete.

There is a member of our association here who was fortunate in having a DeSouttar leg presented him in 1916 and was wise enough to purchase another privately before leaving London, and consequently has not cost the government one cent for attention or repairs, and so forth.

My private opinion is that if all amputation cases were supplied with these metal limbs the majority of us would never require a renewal during our lives, while up to the present time we have to make frequent visits to the factories for renewals, repairs, and so forth, which means loss of time, to some, with cost of transportation, and so on.

The resolution of the Edmonton branch of the Amputation Association is as follows:

Resolution on Light Metal Artificial Limbs

The satisfaction expressed by the few who have privately equipped themselves with the light metal limb is beyond doubt.

It is felt that the only authority on this subject is the one who has to wear an artificial limb, and we have members in our association who have been wearing the De Souttar Bros. manufactured limb for the last seven years. They find same entirely satisfactory after first trying out the heavy cumbersome leg, which is at the present time supplied to amputation cases throughout Canada.

In emphasizing the absolute necessity of light artificial limbs it is urged that the following points be considered.

1. Where a leg is amputated above the knee, in most cases a short stump of the thigh is left. The muscular power of this stump is strictly limited. When an artificial leg is supplied it is done so in extention to the stump, and consequently has considerable leverage over it, that is to say, the momentum and inertia of the mass of the appliance have a power over the stump which increases as the mass becomes further away. The foot, therefore, has the greatest leverage. Owing to this, any attachment to the stump which possesses weight is a burden.

2. Another most important factor with a light metal limb, is the abolition of the harness and control with which the present issue of heavy limb is equipped. The only attachment to the light metal limb is one shoulder strap and one pelvic band, the latter performing as near as possible all the movements that the natural hip and thigh performs

These are facts we wish to place before the Canadian government and we feel that, in order to preserve the physical condition and attain the maximum exercise of which we have been deprived and which is very essential if we are not to be a greater expense to the government, we feel that our plea is worthy of serious consideration.

Be it therefore resolved by the members of the Edmonton branch of the Amputation Association of Canada, that the government of Canada be requested to supply all amputation cases in Canada with light metal artificial limbs manufactured by De Souttar Bros. of London, England, or, any other manufacture of equal quality.

That is a very plain statement and it must appeal to every one of us. These men who went into the Canadian Expeditionary Force did not stop to count the cost, and now that there has been perfected an artificial limb that gives entire satisfaction, whereas the limbs now supplied are cumbersome and a positive burden to the men who are forced to wear them, I think the government should take steps to equip the men with this improved "limb." This is one instance in which the government, no matter how much they may be inclined to economize, should not stop to count the cost. The whole number of amputation cases in Canada cannot be so large after all, and even if it is I still think that the very best artificial limbs that can be found on the market should be supplied these men.

Mr. BELAND: I listened with interest to the resolution quoted by the hon. gentleman, and I may assure him that as a matter of fact the DeSouttar limb has been engaging the attention of the department for the last two or three years. Personally I have been much interested in it; but whatever may be said in favour of it, even in England it is still in the experimental stage. The British Ministry of Pensions has not adopted the DeSouttar limb definitely. We have purchased a few of these limbs in order to carry on our observations. It is not a question of dollars and cents, and if the DeSouttar limb will benefit the amputation cases to a greater extent than the limb we manufacture here, we are willing to pay the extra cost; there is a difference, I think, of about $70 each in the cost of the two limbs. The DeSouttar limb is somewhat lighter; I am informed it is eight to ten ounces lighter than the limb our men wear. I am also informed that a number of amputation cases like the DeSouttar limb. On the other hand others have said to me that they prefer the Canadian limb. Whether or not we should say to the amputation cases "You are welcome to the DeSouttar limb if you want it" is a matter for consideration and discussion. So far we have not decided to do that. There are other

limbs available. It has been represented to me that there are metal limbs that are just as good as the DeSouttar limb. The latter is an expensive appliance; I think it is covered by patent although I am not sure, and it would be costly to make the change. Before we do so we ought to be absolutely secure in our position that the change is warranted by the superior qualities of the DeSouttar limb. That limb is still in the experimental stage, and we need further evidence before reaching a final decision in the matter. There is now in the city a representative of the British Ministry of Pensions. This gentleman arrived in Canada lately, but unfortunately I have not had an opportunity of conversing with him as yet. It was arranged that he should see me this afternoon, but I was detained in the House on account of the possibility of my estimates coming up at any moment. However, I intend to discuss the question further with this representative of the British Ministry of Pensions. In the meantime if my hon. friend (Mr. Black, Yukon) will send me a copy of the resolution which he read I will attach it to my file and it may prove to be useful.

Mr. MacLAREN: The DeSouttar limb has been in use to my knowledge since 1918, and may have been used before that year, but if so only to a very limited extent. I cannot help thinking that the letter read by the hon. member for Yukon (Mr. Black) is perhaps unduly favourable to the DeSouttar limb. It is a good limb and particularly suitable in certain cases. On the other hand in some cases there is a disadvantage in having a light limb. It is not true that the lighter the limb the better it is. There is a certain weight of limb which is more suitable than others to some men. In the case of a light limb, if there is a strong wind there is a tendency that the limb will be blown from underneath the user. However I do not wish to disparage the DeSouttar limb; it is a very fine limb in certain cases. I do not think one would go the length of saying that this limb should be supplied in all instances because it is not necessarily the most suitable or the best. The British government has not made general use of the DeSouttar limb, one reason being that the expense rendered that impossible. Furthermore, as I say, in certain cases the DeSouttar limb is not especially suitable. I believe there has been some arrangement made whereby, if an amputation case desires the DeSouttar limb the cost of an ordinary limb is allowed towards its purchase. As regards the artificial limbs that are made in Canada by the department, it is only fair to say—and I make the statement from personal knowledge—they are,—shall I say, in the cases that have come to my notice—highly satisfactory. I am aware of cases where the men, in the hope of obtaining a better limb, or the best limb procurable, have gone to a large centre like New York, but have finally returned home convinced that a more serviceable limb is supplied by the department over which the minister presides than can be obtained elsewhere. As regards the ordinary limb, in many cases the make is very superior and very satisfactory. I think it is only fair to acknowledge the good work that is being done here in that respect. I believe that as time goes on we may be able to secure a still better limb. I believe there is a combination between the metal and the wooden limb which possesses many advantages and can be had for a reasonable price.

Mr. BLACK (Yukon): I am astonished to hear any hon. member suggest that if an amputation case requires this better type of artificial limb the government should advance him the price of an ordinary wooden leg, and that he should pay the balance. That is a policy that is altogether too economical.

Mr. MacLAREN: May I correct the hon. member. I stated that I was under the impression that the British government had arranged that plan. I did not advocate it or express an opinion about it.

Mr. BLACK (Yukon): I think my correspondent stated the case in the most convincing way when he said that the only authority on the subject is the man who has to wear the artificial limb. I am very glad indeed that my hon. friend (Mr. MacLaren) has never been in that position. I quoted to the House the opinion of a man who has to wear a wooden leg. I happen to have known this man for some twenty years past, and by the way he comes from my hon. friend's constituency St. John and lived there until he moved west. He was a big strapping fellow, but now is a helpless cripple having lost his leg above the knee while on active service in France. I have another letter from the Dominion secretary-treasurer of the Amputation Association of the Great war in which he says:

> The DeSouttar leg is quite popular on the other side, and a great number of them are being issued to the men. We have been trying to get a number of them sent out to this country, but the DeSouttar people refuse to ship a lesser quantity than one hundred, so we understand, and the department will not consider this.

So, apparently, the matter of expense is a big factor in determining this question. I submit that the question of expense should not be considered for a moment in equipping Canada's lame returned men with the best artificial limb that can be found.

Item agreed to.

Vocational loans, $10,000.

Mr. MANION: It is getting pretty late, and we were up until nearly two o'clock this morning. I was going to suggest to the minister that we should pass a couple more items and then report progress. We have done a pretty good evening's work, we have passed nearly $8,000,000, and we do not want to work here so late every night. Will the minister be satisfied with that arrangement?

Mr. BELAND: I would be quite satisfied to let the committee decide what is best to do. If I understand aright, my work was arranged for me for the day, and I was advised that I should present the estimates of the Department of Soldier's Civil Re-establishment and the Department of Health, and I was expected to take the whole day. We had a very extensive discussion on the Health estimates the other day, although they are not very large. My only desire is to advance the work of the session. We have covered a great many points, and the most important points in the Department of Soldier's Civil Re-establishment. The suggestion I make is that we pass all the estimates except one, then we can take up the Health estimates, and they will not take more than half an hour, perhaps only fifteen minutes, because all the particular items have been considered.

Mr. MANION: We have been very considerate in allowing the estimates to go through, because we have already passed about $8,000,000. In discussing the estimates of other departments we very often spend a whole evening on a small item. I was proposing that we pass a couple more items, and my hon friend behind me suggests that a number of these items are important. We have no intention of holding up the estimates, and when they come up later on we can put through a whole lot of them in short order; but it is getting very late and we have allowed a large amount of money to be voted. I was looking at some of the items for the other departments, and in some of the branches about half the items have been passed. The total amount of those estimates was about half a million dollars, but we debated them for days.

Mr. BELAND: They are not important.

Mr. MANION: That is one reason why we ought to take more time with my hon. friend's department. We do not mind the small vocational loans and employer's liability vote and so on, but I think we have to hold up one or two of the items.

Mr. BELAND: Then we will skip the Federal appeal board and pensions.

Mr. MANION: And that will enable us to discuss all other items. I am not doing this to obstruct.

Mr. BELAND: We will reserve the Federal appeal board.

Mr. MANION: Suppose we hold over unemployment relief and the Federal appeal board, on the understanding that we may if we wish—though it is not likely that we will—take up any other subject when these two other items are being discussed; then we can pass the others. I think that will be treating the minister generously.

Mr. BELAND: My hon. friend will see how generous I am also. I am willing to meet him halfway, and I think he should let me pass this item.

Mr. MANION: We never sit after eleven o'clock Friday night.

Mr. BELAND: My hon. friend has a holiday to-morrow, but I have not.

Mr. MANION: You have a holiday all the time and nothing else.

Mr. BELAND: No.

Mr. ROSS (Kingston): The minister is generous but he expects a lot. Unemployment relief and the Federal appeal board are new subjects.

Mr. BELAND: We will reserve that.

Mr. ROSS (Kingston): If the minister will answer a question or two, I would appreciate it. For instance, what is the item $5,000 for special publicity?

Mr. BELAND: Advertising in the veteran papers about the Department of Soldiers' Civil Re-establishment and about the delays and when they expire for presenting claims for pensions, and all other claims—all the veteran papers.

Mr. ROSS (Kingston): What papers are they?

Mr. BELAND: The Khaki Call, The Listening Post, Imperial Veteran, Manitoba Veteran, The Veteran, Canadian Review Company Limited, Labour Leader. This is a very reduced service now.

Mr. ROSS (Kingston): What is the operating expense?

Mr. BELAND: The largest amount of the operating expense item is used to provide advances for treatment of imperial pensioners and allied country pensioners who are in Canada, we being the agent of the governments concerned. A large amount of this money that is provided is being reimbursed to the department. The other portion is used generally for:

Telephone, telegrams, postage and car fare.
Transportation and travelling of staff.
Stationery and office supplies.
Insurance and storage.
Light, heat, power and water rates.
Maintenance and repairs to furniture and equipment.
Freight and express.
Royal Commission on Pensions and Re-Establishment.
Other general expenses.
Working capital.
Financing treatment and medical examination of imperial and foreign former soldiers; also miscellaneous expense of Imperial pension office.

All of this is refunded, but it is refunded month by month, and we are generally a large amount behind. We have to provide the money. The main sum in this connection is spent on behalf of Imperial government.

Item 286 agreed to.

Mr. MANION: We are holding over 288 and 292.

Mr. BELAND: The hon. member wants to reserve the Federal appeal board item?

Mr. MANION: Yes, and the unemployment item.

Mr. BELAND: Item 292 stands and 293 is carried. Now we can proceed with the other estimates. There is nothing contentious about them.

Mr. MANION: We agreed we would stop after having passed these estimates; if there is nothing contentious about them the minister will not have any trouble in getting them through later.

Mr. BELAND: I am afraid they will come up late in the session, and you will not have the same opportunity that you would have to-night. I know that the hon. member for Kingston (Mr. Ross) wants to ask a few questions regarding quarantine.

Mr. MANION: If the minister is so interested in getting this item through, I think we will have to go back and discuss some of the items we have carried.

Mr. BROWN: While the minister is satisfied, the rest of us would like to proceed with some of the business of the House, if that is possible.

Mr. MANION: The hon. member for Lisgar might have said that before we made the arrangement.

Mr. BROWN: The arrangement was to go on with the Health estimates. It was the Health estimates I was interested in.

Mr. MANION: The minister may take up any item he likes, but he will not get any of them through.

Mr. BELAND: I do not think my hon. friend means that. He enjoys a good reputation in the House and he must not destroy it.

Mr. MANION: I am not afraid of that. I think my hon. friend is not fair. We made the arrangement and now he comes forward with a proposition to pass the Health estimates. That matter was not discussed.

Mr. BELAND: Oh yes.

Mr. MANION: We had an understanding.

Mr. BELAND: I said I would be perfectly willing to reserve one or two items, take the Health items which remain to be adopted and adopt them this evening after proper discussion, and I pointed out in this connection that the Health estimates have already been under consideration quite a long time in the House, and a tremendous amount of information has been supplied to the committee and properly so. The remaining Health department items are not nearly as important as those we have adopted. The only three items left include one very small amount, the quarantine item which we discussed very extensively the other day, but regarding which some information could still be supplied, and the other one is venereal diseases, which is a grant.

Mr. LEWIS: We have been getting along very nicely, and rather than disturb the House at this time, I think the minister would be well advised, if the arrangement was entered into, to let the House adjourn at eleven o'clock. We have put through estimates totalling nearly $8,000,000 to-night, and although I would like to see the Health estimates get through to-night, there is one item, venereal diseases, that might involve a general discussion.

Mr. PUTNAM: Did the hon. gentleman say "if an arrangement was entered into"?

Mr. LEWIS: A few moments ago we allowed about five items to go through without discussion. Possibly that may have been the general understanding, and while that may have been a misunderstanding, it seems to have been the understanding of the hon.

member for Fort William and Rainy River (Mr. Manion).

Mr. PUTNAM: The hon. member gave very fatherly advice to the minister when he said he would be well advised, if such an arrangement were entered into, to let the House adjourn. Does he understand the import of that particular remark? It was a little too fatherly altogether.

Progress reported.

On motion of Mr. Graham, the House adjourned at 11.10 p.m.

Monday, June 15, 1925

The House met at three o'clock.

PEIGAN INDIAN BAND

Mr. G. G. COOTE (Macleod): Mr. Speaker, I would ask that the petition of Philip Big Swan and others in the Peigan reserve be read.

The Clerk Assistant thereupon read the petition as follows:

Petition to the hon. House of Commons assembled.

The petition of the undersigned humbly sheweth:

That a portion of the Peigan Indian reserve has been leased to the Hon. A. J. McLean, although a large majority of the Indians voted against the lease;

That the Indians were assured by Commissioner Laird, who negotiated the treaty with them in 1877, that their reserves could not be occupied without their consent;

Therefore we the undersigned members of the Peigan band pray that the said lease to Hon. A. J. McLean should be cancelled and the land restored to the Peigan band.

And your petitioners as in duty bound will ever pray.

Mr. COOTE: Mr. Speaker, I desire to discuss this petition, but I have had some conversation with the Superintendent General of Indian Affairs (Mr. Stewart), and I understand he would prefer that the discussion should take place on the Indian estimates and that he will arrange that these estimates be discussed at an early date, preferably in the afternoon. If the minister will give me that assurance now, I shall be quite willing to forego discussion of the petition at the present time.

Hon. CHARLES STEWART (Superintendent General of Indian Affairs): Yes, Mr. Speaker, I shall be very glad to give the hon. gentleman an opportunity of having the matter fully ventilated at a reasonable hour, preferably in the afternoon, when the estimates of the Department of Indian Affairs are before the House.

BUSINESS OF THE HOUSE

MORNING SITTINGS

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved:

That on and after the 16th June instant, until the end of the present session, the House shall meet at eleven o'clock in the morning of each sitting day, and that in addition to the usual intermission at six o'clock p.m., there shall be also an intermission every day from one to three o'clock p.m.

Sir HENRY DRAYTON (West York): Mr. Speaker, I would point out to my hon. friend that we have a lot of committees still sitting, and I do not see how the work can very well be advanced if we take up the whole day, unless hon. gentlemen are to absent themselves from perhaps the more important sphere of their labours. Anyhow, I would suggest that we should not commence morning sittings until Wednesday. I know we have some very important business to look after to-morrow morning, and I would ask my hon. friend to consent to the motion being so amended.

Mr. CRERAR: The day after to-morrow?

Sir HENRY DRAYTON: Yes.

Mr. CRERAR: We might as well start to-morrow.

Sir HENRY DRAYTON: It gives us one day's grace.

An hon. MEMBER: Let us get through.

Mr. W. C. GOOD (Brant): Mr. Speaker, an important committee meeting has been called for Wednesday morning, and I think other meetings are in contemplation. It seems to me that it will very seriously interfere with the work of the committees if this motion is put into effect.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I rather agree with the remarks made by the hon. member for Brant (Mr. Good). There are several very important committees still sitting, and it seems to me that a great deal of work will not get the attention it should get if we start morning sittings to-morrow, or even on Wednesday. I think the motion should be further postponed.

Mr. GRAHAM: Mr. Speaker, the government has no desire to prevent the House of Commons doing its work but is trying to accelerate progress. Some of the committees referred to are sitting while the House is in session; the fact of the House sitting in the forenoon would not make any difference in that respect. However, if Wednesday could be agreed upon it would be perfectly satisfactory to the government. If not, we will let the motion stand until to-morrow.

Some hon. MEMBERS: Wednesday.

Some hon. MEMBERS: Thursday.

Mr. GRAHAM: What do we say?

Hon. T. A. CRERAR (Marquette): Mr. Speaker, there are several important committees at work, the committee on Agriculture, for instance, that is dealing with the Grain Act. I do not anticipate that they will be through for two or three days yet at any rate, and they were sitting two or three times a day last week. There is also an important measure before the Banking and Commerce committee, and there are other committees still busy. I would suggest that the government might wait two or three days to see how this committee work progresses, and if it is pretty effectively cleaned up we might start morning sittings Thursday.

Mr. GRAHAM: We will let the motion stand until to-morrow.

Mr. DEPUTY SPEAKER: The motion stands as a notice of motion for to-morrow.

NATIONAL BATTLEFIELDS AT QUEBEC

Hon. J. A. ROBB (Acting Minister of Finance) moved for leave to introduce Bill No. 205 to amend an act respecting the national battlefields at Quebec.

Motion agreed to and bill read the first time.

PRISONS AND REFORMATORIES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the first reading of Bill No. 206, to amend the Prisons and Reformatories Act.

He said: This bill provides that any female person in the Maritime provinces being a Protestant above the age of sixteen who is convicted of an offence punishable by imprisonment for at least two months may be sentenced to imprisonment in the Interprovincial Home for Young Women at Coverdale, in the county of Albert, in the province of New Brunswick.

Motion agreed to and bill read the first time.

CANADA-UNITED STATES SMUGGLING TREATY

Hon. P. J. A. CARDIN (Acting Minister of Customs and Excise) moved for leave to introduce Bill No. 207, for carrying into effect a treaty signed 6th June, 1924, between His Majesty in respect of Canada and the United States of America, for the suppression of smuggling operations and for other purposes.

He said: The object of this bill is to give power to the Governor in Council to make regulations in order to put into effect the treaty which has been signed with the United States for the suppression of smuggling.

Motion agreed to and bill read the first time.

PRIVATE BILLS

FIRST READINGS

Bill No. 195, from the Senate, for the relief of Mary Ella Mackey.—Mr. Ryckman.

Bill No. 196, from the Senate, for the relief of Melvin Grant Cowie.—Mr. Garland (Carleton).

QUESTIONS

(Questions answered orally are indicated by an asterisk).

NORTHWEST REBELLION—MOUNTED POLICE

Mr. BLACK (Yukon):

Referring to questions and answers concerning special remuneration of military forces for services in Northwest Rebellion reported in Hansard of June 4, 1925, at page 4004, is it the intention of the government to recompense the Northwest Mounted Police veterans who served in the Northwest Rebellion on the same basis as others who served?

Hon. Mr. MACDONALD (Pictou): In reply to this question, the situation is that immediately following the circumstances in connection with the Northwest Rebellion, the government of that day provided for compensation by way of pension for those who took part therein, and it is not the intention of the government to-day to reopen this legislation after so many years have elapsed.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CANADIAN PENITENTIARIES—EMPLOYEES

Mr. DESLAURIERS:

1. How many employees were there on the 1st April, 1925, in each of the Canadian penitentiaries?
2. What was the name, rank, creed and salary of each such employee and the date of first appointment?
3. How many employees were there on the 1st of April, 1915, in each of the Canadian penitentiaries?
4. What was the name, rank and creed of each such employee and the date of first appointment?

DEPARTMENT OF AGRICULTURE—GRADERS AND INSPECTORS

Mr. SUTHERLAND:

1. How many hog graders are on the pay roll of the Department of Agriculture?
2. What amount has been paid to such graders, respectively, as salaries, wages, and expenses, for the year ending March 31st, 1924?

3. How many veterinary inspectors and lay inspectors, respectively, are employed by the department in the inspection of animals slaughtered, and the carcasses of such animals in abattoirs and packing-houses in Canada, during the year ending March 31st, 1924?
4. What amount has been paid in salaries and wages to such veterinary and lay inspectors, respectively, for the time mentioned above?
5. What number of hogs have been graded by government inspectors during the year referred to?
6. What was the total weight of hogs so graded and the percentage of the whole in each grade or classification made by the government officials?
7. How does the output of said packing-houses correspond as to grade for home consumption or for export, with the classification of live animals made by government graders?
8. Is any classification of the output of packing-houses made by the government in accordance with that made of animals purchased?
9. If not, why is this not done?

CANADIAN NATIONAL RAILWAYS—DEBT AND REVENUE

Mr. TOBIN:

1. What is the total debt of the Canadian National Railways and all its subsidiaries up to the 31st of March, 1925?
2. What was the total revenue of the said railways for the years ending March 31, 1920, 1921, 1922, 1923, 1924 and 1925?
3. What was the deficit or surplus for each year from 1920 up to 1925, inclusive?

CAMP BORDEN—PERSONNEL

Mr. DELISLE:

1. What is the actual personnel of Camp Borden?
2. What is the number of officers?
3. Of that number, how many are French Canadians?
4. What is the number of soldiers?
5. What is the total annual cost of this camp?

GOVERNMENT EMPLOYEES—SALARIES

Mr. McQUARRIE:

1. How many employees of the government receiving salaries of $3,000 or over have received increases of salary since the beginning of the fiscal year 1923-24, and how many have had their salaries decreased during the same time?
2. What was the original salary in every case, and the amount of increase or decrease?
3. What increases or decreases of the employees of the government receiving $2,000 to $3,000 were made during the same time, giving the same information regarding the number of persons affected with increases or decreases?
4. What were the increases or decreases in salary of employees of the government receiving $2,000 or less, with the same information regarding the number of employees affected, amounts of increases or decreases, and original salary?

HOME BANK DEPOSITORS

Mr. T. L. CHURCH (North Toronto) moved:

For a return showing the names of depositors of the Home Bank of Canada for sums of $10,000 or over who will benefit by legislation now being considered for the relief of depositors of said bank.

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, when the legislation affecting the Home Bank was before the House, fears were expressed from many quarters of the House that speculators might take advantage of this knowledge. I do not believe it is in the public interest to place all these names in print where they will be available to speculators, but I am prepared to show whatever lists I have to my hon. friend from North Toronto (Mr. Church), and indeed to any member of the House. Under the circumstances, perhaps my hon. friend would drop the resolution.

Mr. CHURCH: What I want is for the minister to lay on the table the report of the liquidator, Mr. E. R. C. Clarkson, showing how this money is distributed. I think the country is entitled to know that in the case of the larger depositors.

Mr. ROBB: I would be prepared, when the money has been distributed, to table the report, but I wish to avoid this publicity now so that speculators will not have the opportunity of finding out who is going to be paid.

Sir HENRY DRAYTON: I would point out to my hon. friend that he can, of course, resist the motion, but he has hardly given a ground on which to resist it. The period when speculators migh be feared is over. Now that the government has taken action, my hon. friend need not be afraid of anybody being approached by speculators, because the depositors know they will draw their money.

Mr. ROBB: There is something in that, if the measure has passed the Senate, but I am not sure that it has.

Sir HENRY DRAYTON: I do not think it will be very long before it is dealt with there. That is hardly an objection.

Mr. ROBB: I will not press my objection, on the understanding that the Finance department will decide when this information will be made available.

Mr. DEPUTY SPEAKER: Dropped.

Sir HENRY DRAYTON: No.

Mr. DEPUTY SPEAKER: Yes, the motion is dropped by the mover upon the undertaking of the minister.

UNOPPOSED MOTION FOR PAPERS

DISMISSAL OF MR. LEVI BLACQUIERE

Mr. DOUCET:

For a copy of all correspondence between the Department of Marine and Fisheries and others in connection with the dismissal of Mr. Levi Blacquiere from the position of lighthouse keeper at Rustico, Prince Edward Island, together with a copy of the evidence taken at the investigation and the investigator's report in relation thereto.

BOARD OF AUDIT

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee at the next sitting to consider a proposed resolution declaring it expedient to introduce a measure to constitute a Board of Audit.

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.

WAR REPARATIONS FOR CANADIAN NATIONALS

Hon. A. B. COPP (Secretary of State) moved that the House go into committee at the next sitting to consider a proposed resolution regarding reparation for losses suffered by Canadian nationals during the late war.

EXCISE ACT AMENDMENT

Hon. P. J. A. CARDIN (Acting Minister of Customs and Excise) moved that the House go into committee at the next sitting to consider the following proposed resolution :

Resolved, That it is expedient to amend the Excise Act, chapter 51 of the Revised Statutes, 1906, and to provide that a license to stem Canadian raw leaf tobacco may be granted to any person who has complied with the Act and regulations, on payment of the sum of two dollars, whether such license has a full year or part of a year to run from the date when it is granted; and that the minister shall have power to make such regulations as he deems necessary or advisable for carrying out the proposed legislation.

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.

HOME BANK DEPOSITORS

MR. CHURCH'S MOTION—QUESTION RAISED AS TO WITHDRAWAL—RULE 43

On the Orders of the Day:

Sir HENRY DRAYTON: I desire to refer to the action taken in connection with a certain order for a notice of motion for the production of papers. It is not competent for an hon. member to withdraw his notice of motion. A notice can only be withdrawn, under rule 43, by leave of the House, and even in that case leave must be granted without a negative voice. Leave of the House was not asked for in this case. As matters stand now I would assume that the course would be as intimated by my hon. friend the

[Mr. Doucet.]

Acting Minister of Finance (Mr. Robb), and that the return should be made just as soon as the Senate has dealt with this question.

Mr. DEPUTY SPEAKER: I think it is too late now to bring this matter up; it was dealt with earlier in the sitting.

Sir HENRY DRAYTON: I desire to point out that the Chair did not ask the House for leave to withdraw the motion, and no opportunity was given for submitting the point to the Chair. Under rule 43 the Chair, before leave is granted, must ask the House whether the hon. member has leave to withdraw. That was never done. The question is whether the rules of the House should not be observed by the Chair as well as by hon. members.

Mr. CHURCH: I did not withdraw the motion. I asked that it should stand as I understood the minister said he would let me have part of the information.

Mr. DEPUTY SPEAKER: I draw the hon. member's attention to this fact: I asked the hon. member if he desired to withdraw the motion. He nodded to me and said: "stand." I then asked the House if the mover of the resolution should have leave to withdraw his motion.

Mr. HANSON: Oh no. I appeal to Hansard.

Mr. DEPUTY SPEAKER: I do not intend to argue the matter. That is the way it stands at present on the records.

MINERS AND STEEL WORKERS

TROOPS DESPATCHED TO STRIKE AREA IN CAPE BRETON

On the Orders of the Day:

Mr. JOS. T. SHAW (West Calgary): I desire to ask the Minister of National Defence if a requisition has been made to the Adjutant General for military assistance in connection with the Cape Breton situation. If so, what assistance has been asked for, and what is the number and composition of the troops actually furnished and proposed to be furnished?

Hon. E. M. MACDONALD (Pictou, Minister of National Defence): The situation in regard to the despatch of troops is as follows: General Thacker, who is in command of the district in which the difficulty arises, in response to the requisition of the Attorney General of Nova Scotia, sent to the scene of the disturbance in the latter days of last week 260 troops of the permanent force

from the city of Halifax. Further requisitions were made by the Attorney General of Nova Scotia upon General Thacker, and by virtue of the power conferred upon him in the statute which was passed last year under which he is sole judge as to the number of troops that are required, he requisitioned the Adjutant General for additional troops. I have not all the telegrams here, but those that I do happen to have I will read: At five minutes after twelve, midnight, the following message was received from General Thacker by the Adjutant General:

Mayor, Sydney Mines, requests military protection to-night Sunday. Feared mob will burn wholesale stores. Mayor of Sydney requested for military protection feared strikers will loot city to-night Sunday. Cannot give protection as no troops available. Urge that further reinforcements in view of widespread area affected at least 500 additional to troops now on their way.

At 4.20 a.m. this further telegram was received from General Thacker:

Mayor of Sydney mines requested military protection twice to-night, Sunday. Mob looting Mutual grocery stores. Mob 300 reported marching from Florence to join mob at Sydney Mines. 23.30 hours: Mayor of Sydney requested military protection. Feared that mob would loot city. Cannot give as no troops available to act State of terror rapidly developing in area. Small mob set fire to petrol stores outside Dominion No. 2. Officials extinguishing hindered by mob which was dispersed by troops. G.O.C. and G.S.O. proceeded Cape Breton by troop train leaving Truro this afternoon, Sunday. Reported rioters are in possession of one machine gun but are without ammunition, also that man left Sydney for purpose of obtaining ammunition.

The result was that in the last two days troops from St. John's, Que., Toronto, and London have been ordered to the scene. I have not got the exact figures with me but I will be very glad to give them later to my hon. friend.

Mr. FORKE: What are the dates of the last two telegrams?

Mr. MACDONALD (Pictou): They were received yesterday and to-day, the last one at four o'clock this morning.

Mr. GARLAND (Bow River): I notice in this morning's papers an announcement to the effect that the Minister of Labour had departed to the scene of the strike on request. I desire to ask this administration by whose request, or by whose authority, has the Minister of Labour now gone to the strike area?

Mr. STEVENS: And has the British North America Act been amended in the meantime?

Hon. G. P. GRAHAM (Acting Prime Minister): Under the act which has been declared ultra vires the Labour Department undertook arbitration through a board. As the act now stands the Labour Department can undertake conciliation. At the present time the troops of the federal government have gone to that area at the request of the Attorney General of the province of Nova Scotia under the statute. That, in a measure, brings the federal authorities into the arena. Some little time ago the men proposed that the Minister of Labour give his consent to act as conciliator, not as arbitrator. That could have been asked of any man in the Dominion of Canada. The president of the company at that time refused. He was asked to come to Ottawa on Saturday, and he consented to Mr. Murdock going down to the area, being on the ground so that we could have first-hand information as to what was going on; and he is to act as a conciliator, as a mediator, between the men and the company with the consent of both. The provincial Minister of Mines is also engaged in the work of attempting to get the warring elements together, and these two will work in harmony, with the hope that peace may be brought out of the disorder.

Mr. GARLAND (Bow River): That is not quite clear. Has the Minister of Labour gone there as a representative of this administration or as a citizen of Canada?

Mr. GRAHAM: I should say, as a mediator.

Mr. GARLAND (Bow River): Is it on behalf of the government?

Mr. GRAHAM: I would not care to draw the line. The Minister of Labour is a member of the government of Canada. That is a fact. He has been asked by the men and by the company to act as a mediator, which he is endeavouring to do.

Mr. IRVINE: Will the Minister of National Defence tell me if any other but military action is being taken by the federal authorities in order to arrive at a reasonable settlement of the dispute in Nova Scotia?

Mr. MACDONALD (Pictou): The statement just made by the Minister of Railways (Mr. Graham) covers the question of my hon. friend.

Mr. IRVINE: That is not an answer to my question.

Mr. MACDONALD (Pictou): What is the use of splitting hairs in a matter of this kind?

Mr. WOODSWORTH: Has the government, up to date, ordered all permanent force troops from Winnipeg and points east of Winnipeg to proceed to Cape Breton?

Mr. MACDONALD (Pictou): No permanent troops have been ordered from Winnipeg. I stated to the House a short time ago the places in central Canada from which troops were ordered.

Mr. SPENCER: Will the Minister of National Defence tell me if the Chief of Staff is in command of the military situation at Cape Breton?

Mr. DEPUTY SPEAKER: That has been covered.

Mr. MACDONALD (Pictou): No, under the statute, the District Officer Commanding, Colonel Thatcher is in command of troops when they are there, in regard to all their actions.

Mr. GOOD: All the troops that are being sent are from central parts of Canada?

Mr. MACDONALD (Pictou): From the military districts.

Mr. HOCKEN: Are there not troops closer to the scene of trouble than Toronto and these other places?

Mr. MACDONALD (Pictou): My hon. friend is well aware that the troops that are being used are simply members of the permanent force. There are members of the permanent force in Nova Scotia, but none in New Brunswick or Prince Edward Island. The next nearest force is in Quebec where the famous Twenty-second regiment is located. There are a few dragoons in St. John. After you leave Quebec, until you get to Toronto, there are no members of the permanent force available.

Mr. KENNEDY (Edmonton): Are the troops in Nova Scotia under the federal law or under provincial law?

Mr. MACDONALD (Pictou): I would advise my hon. friend to refer to the statute passed last year and he would find exactly what the position of matters was. The troops are at all times under control of the officer or officers who have been nominated by the federal government. They are requisitioned by the Attorney General under the statute in the case of disorder, and the cost of their operations and everything relating to that phase of the matter is provided for by the province who send them out.

Mr. McDONALD (Timiskaming): Will the Acting Prime Minister (Mr. Graham) tell me if we can obtain definite information as to how the Minister of Labour comes to be in Nova Scotia, whether it is at the behest of this government or of his own sweet will? I think my question is pretty plain and does not require explanation.

Mr. GRAHAM: My hon. friend from Timiskaming informs us that the Minister of Labour has a sweet will. I will inform the hon. member that the minister is there at the request of the men primarily, and at the request of the men and management both now.

Mr. COOTE: Has the government any information as to the number of casualties that have occurred in Nova Scotia up to date?

Mr. MACDONALD (Pictou): The information that we have in the department is that there have been no casualties since the first outbreak, when one man was killed. A great number were wounded, both police officers and men. We have had no further information beyond that.

Mr. GARDINER: Have there been any serious disorders in the last twenty-four hours in the Cape Breton area, and if so would the minister indicate what they were?

Mr. MACDONALD (Pictou): I am afraid my hon. friend did not catch the first answer I made when I was questioned in regard to this matter. I read two despatches, one reaching Ottawa at midnight and one at 4.30 this morning. My hon. friend will find them in Hansard, and it will hardly be necessary to read them again. I think the House has the sense of the messages.

Mr. GARDINER: The minister has not caught the purport of my question. I desire to know if these disorders indicate organized leadership on the part of those who are creating the disturbance.

Mr. DEPUTY SPEAKER: I might draw the attention of hon. gentlemen to the fact that in discussing a matter of urgent importance certain questions are permissible on the Orders of the Day, but the rule does not contemplate that inferences can be drawn from a certain state of facts—

Mr. MACDONALD (Pictou): I think it is only right that the House should be possessed of all the information on this subject, and I shall be very glad to give information to the fullest extent in my power. I gather that what the hon. member wanted to ascertain was whether the report we received

indicated that there was an organized combination on the part of the men. The information we have received—and it is the only information the department has obtained—is from the General Officer Commanding, who reports to the Adjutant General the information which comes to him and what information he has of his own knowledge. In the last despatch which reached here at 4.30 this morning I find the following statement, which the House can interpret for itself:

Reported rioters are in possession of one machine gun but are without ammunition, also that man left Sydney for purpose of obtaining ammunition.

Mr. CLARK: I have not been able to hear what has been said. I should like to know whether any of the troops of the non-permanent militia have been called out, and if so from where. Also whether troops have been called out from Toronto or from other places in the province of Ontario, and if so whether from the permanent force or from the non-permanent force?

Mr. MACDONALD (Pictou): My hon. friend is a military man, and if he will refresh his memory he will know that the statute requires that no members of the non-permanent force can be called out until the whole of the permanent forces in Canada are exhausted, and to-day there has been no call made on the non-permanent militia.

Mr. CHURCH: I should like to ask the Acting Prime Minister (Mr. Graham) why the provisions of the Industrial Disputes Investigation Act as amended respecting national emergency have not been carried out. The Nova Scotia case is a clear case of national emergency under the act as amended which received the Royal Assent last Friday, and under the decision of the Privy Council the government can step in at once and adjust this dispute. This is a clear case under the act for drastic action. The government could spend $60,000 on a similar dispute to the Privy Council in Ontario, but can do nothing here. This is a bona fide case for immediate action, a national emergency which under the new act and decision of the Privy Council exists.

Mr. GRAHAM: The new machinery has not had very long to get oiled up. I think I have said everything I possibly can concerning the government's connection with the disturbances in Cape Breton.

Mr. WHITE: How many members of the permanent force have now been placed under orders for Nova Scotia service?

Mr. MACDONALD (Pictou): I cannot give my hon. friend the exact figures, but the situation is that no member of the permanent force west of the Great Lakes has been ordered to go to Nova Scotia. The order applies only to members of the permanent force in Ontario and Quebec.

Mr. EVANS: Is the government not considering any line of action other than sending forces in there to preserve order?

Mr. MACDONALD (Pictou): When my hon. friend says that the government are sending forces there to preserve order, he knows that under the statute the government cannot do anything else. Under the law to which my hon. friend assented last year, and which was supported by all hon. gentlemen in this House, once the attorney general of a province requisitions the military forces which are maintained by the Dominion under the constitution, they are bound to be sent there. No discretion is left.

CHICAGO DRAINAGE CANAL

On the Orders of the Day:

Hon. EDMUND BRISTOL (Centre Toronto): On the first page of the Montreal Gazette of to-day, there is a news item reading as follows:

Dominion Accused

Charged with stirring up fight on water diversion.

Washington, June 14.—Charges that the Canadian government is stirring up the states bordering on the Great Lakes to make a fight against the diversion of water from lake Michigan into the Illinois river at Chicago are being made by Congress representative William E. Hull of the Peoria, Illinois, district. The Peoria representative is at present making a "protest tour" of the middle west states, and the charges against the Dominion government are made in addresses before chambers of commerce and other commercial bodies.

Mr. Hull declares the Canadian authorities are "greedy for water power" and that if its fight to prevent diversion of the present flow of water from lake Michigan at Chicago succeeds, the United States project for an inland waterway between lake Michigan and the gulf of Mexico will be ruined.

Most of us in Canada had the idea that Chicago was in need of water for drainage purposes in order to keep those helpless people in Chicago alive, but I think this is a clear statement by a member of the United States Congress—

Some hon. MEMBERS: Order.

Mr. BRISTOL: What I would ask the government is this. What action is being taken by the government in this connection, and has the United States government been

informed that the water in the Great Lakes belongs to the United States and Canada, and not to Chicago?

Hon. CHARLES STEWART (Minister of the Interior): The Canadian government is very much alive to the diversion of water at Chicago and is taking all precautions necessary to protect our interests. I cannot be responsible, nor do I think the government could be responsible, for the construction placed upon the necessary action we have taken by a representative of the Senate or Congress of the United States.

CRIMINAL CODE AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the third reading of Bill No. 147, to amend the Criminal Code.

Motion agreed to and bill read the third time and passed.

YUKON QUARTZ MINING ACT

Hon. CHARLES STEWART (Minister of the Interior) moved that the House go into committee on Bill No. 6, to amend the Yukon Quartz Mining Act.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

On section 1—Inscription.

Mr. STEWART (Argenteuil): This bill was very carefully considered in committee and quite a number of amendments were offered. I attended the committee, and the amendments were all agreed to between the officers of our department and the members of the committee. I do not think they are controversial, and they meet the situation.. I regret the hon. member for Yukon (Mr. Black) is not here, because the bill was brought in by him and he is familiar with the amendments. The amendments, however, were passed unanimously by the committee.

Mr. HANSON: Are these amendments agreeable to the hon. member for Yukon?

Mr. STEWART (Argenteuil): Yes, I mentioned that fact. The hon. member for Yukon brought in this bill, which is really a private bill, and the amendments were all agreed to by him.

Section agreed to.

Sections 2, 3, 4 and 5 agreed to.

Bill reported, read the third time and passed.

[Mr. Bristol.]

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

The House resumed, from May 26, consideration in committee of the following proposed resolution.—Hon. Mr. Robb.—Mr. Gordon in the chair:

That it is expedient to amend the Soldier Settlement Act, 1919, and amending acts, and to provide that notwithstanding anything in the acts, in the case of any settler who has not repaid his indebtedness to the board, or who has not abandoned his land, or whose agreement with the board has not been terminated or rescinded, the board shall credit his account with an amount, in reduction of his indebtedness to the board, determined as follows:—

Forty per centum of the purchase price of all live stock advanced to the settler and purchasced prior to the first day of October, 1920;

Twenty per centum of the purchase price of all live stock advanced to the settler and purchased on or after the first day of October, 1920, and prior to the first day of October, 1921; and

The settler's account shall be credited with the total amount, determined as aforesaid, as on the standard date in 1925.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 208 to amend the Soldier Settlement Act, 1919.

Motion agreed to and bill read the first time.

CANADA TEMPERANCE ACT AMENDMENT

The House resumed, from May 25, consideration in committee of the following proposed resolution.—Hon. Mr. Lapointe.—Mr. Gordon in the chair:

That it is expedient to amend the Canada Temperance Act, chapter one hundred and fifty-two of the Revised Statutes of Canada, 1906, by the addition thereto of Part V, to provide for the prohibition of importing, sending, taking or transporting of any intoxicating liquor into any province in which such prohibitions are in force; to further provide penalties for the violation of the proposed legislation, and to provide for the revocations when such have been declared revoked by an order in council of the Lieutenant-Governor of a province affected.

Mr. HANSON: What is the reason for this legislation?

Mr. LAPOINTE: The bill which is to be introduced on this resolution is intended to limit the importation of intoxicating liquors in provinces which have not adopted Part 4 of the Canada Temperance Act, but which control the sale of liquor governmentally. Under the present circumstances it will apply only to the provinces of British Columbia and Quebec, if they care to avail themselves of it, because all the other provinces are under Part 4 of the act.

Mr. STEVENS: How will these two provinces come under this bill?

Mr. LAPOINTE: If an order in council is passed requesting that the prohibitions defined in this bill shall be put into force in the province the Governor in Council will have the authority to issue a proclamation to implement that request. This is similar to the bill which was passed two years ago and rejected by the Senate.

Mr. CHURCH: Is the government in favour of this particular class of legislation, especially in view of the recent vote in the province of Ontario and the action of the Ontario legislature. I am opposed to all prohibitory laws of this kind, whether the restriction applies to this question, social questions, race tracks, or anything else, and I do not intend to vote for any sort of prohibitory legislation so long as I am a member of this parliament. We are living in an age when prohibitory legislation has become a fad; everybody wants to discipline his neighbour but he is not so anxious to discipline himself. I do not believe that the people of Ontario are to-day in favour of prohibition in view of the position which they have recently taken so overwhelmingly. With all due respect to the minister, I would remind him that a vote on prohibition was taken in this country by the federal government under the late revered prime minister, Sir Wilfrid Laurier, who declared that if a referendum on prohibition carried by ballot he would put it into effect. Did he do it? No,—apparently a platform that was good enough for the Liberal party to get in on is not good enough for them to stand on.

4 p.m.

Mr. LAPOINTE: I am sorry my hon. friend is interjecting politics into this.

Mr. CHURCH: This act and the principle of this legislation was introduced as a war measure, and in view of the vote which has been held in Ontario it must be evident to the government that public sentiment throughout that province has changed considerably in this matter. What does the Ontario government think of it? Who is asking for this legislation? Has the government considered the advisability of it in the light of the vote in Ontario?

Mr. LAPOINTE: To set my hon. friend's mind at rest I hasten to assure him that this will not apply to Ontario. So far as prohibition is concerned, I may tell him that my own views do not differ very much from his. But I differ from the hon. member in this respect, that in my opinion the desire of each province in this matter should prevail. And what this bill proposes is to give effect to the views of the several provinces. It will be easier for hon. gentlemen to discuss the measure when the bill is before the House, and I would therefore suggest that they allow the resolution to pass in the meantime, reserving their opinions until then.

Mr. CLARK: What are the views of British Columbia on the subject? There was considerable difference of opinion when the bill came up two years ago and in the meantime I have had no reason to change my own views. What change has there been generally that has made this legislation necessary, and what requests have been received from British Columbia? The minister might tell us what effect the bill, if passed, will have on that province.

Mr. LAPOINTE: I do not think there has been any great change in British Columbia. The bill which passed this House two years ago as well as the present measure have both met with the approval of the province. Both the Prime Minister of British Columbia, when he was here, and the attorney general, in correspondence, strongly recommended the enactment of it. I may say that hon. members representing British Columbia—not my hon. friend—have also urged very strongly the introduction of a bill along the lines of this resolution. My hon. friend took a prominent part in the discussion of the bill which was presented to the House two years ago, and he will recall that its purpose was to prohibit the importation of liquor except when purchased by the government of the province or by a board of commissioners appointed by the government of the province under the laws of the province. The exceptions were: first, the transportation through the province by means only of a common carrier by water or by railway if during the time it was so carried the package was not opened or broken in the ordinarly way; and, second, the importation by any person duly licensed to carry on the business of a distiller or brewer where the liquor was imported solely for the purpose of being used for blending or flavouring. There was a further exception in favour of export houses, that with the permission of the attorney general of the province they might carry on operations; but while the bill was before the committee this exception was objected to very strongly as giving too much power to the attorney general, therefore the section was withdrawn, and there will now be no exception for export houses.

Mr. CLARK: That is, under the proposed legislation there will be no export or bonded warehouses in British Columbia?

Mr. LAPOINTE: They will not be able to import.

Mr. CLARK: That provision was not in the bill two years ago. That was our main objection.

Mr. LAPOINTE: It was in the bill, and Sir Lomer Gouin, who was then Minister of Justice, moved that the section should be eliminated. Thereupon the importation, even by those export houses, was prohibited.

Mr. CLARK: In other words, no one except the provincial government will be able to bring liquor into British Columbia.

Mr. LAPOINTE: Except those who may buy from the government.

Mr. CLARK: Am I correct in saying that no one will legally be able to bring liquor into British Columbia except the government of the province?

Mr. LAPOINTE: Except dealers or brewers for the purpose of blending or flavouring or for transhipment.

Mr. CLARK: In other words, after this legislation passes there can no longer be any bonded warehouses or other concerns in the liquor business for export purposes in British Columbia?

Mr. LAPOINTE: If there are they will not be allowed the right to import. We are dealing only with importation. There will be no exception as to that. They will be unable to import liquor into British Columbia.

Mr. CLARK: Can they bring it through for transhipment to the United States?

Mr. LAPOINTE: "Transit" means that the liquor should not be warehoused in British Columbia for any length of time.

Mr. CLARK: Let me give the minister a concrete example. At the present time we have bonded warehouses in the interior at Greenwood, Rossland and other places several miles from the coast; we also have bonded warehouses in Vancouver and Victoria which are carrying on export business. Some of their ships have been seized by the United States authorities. Will this legislation put those institutions out of business?

Mr. LAPOINTE: I think it will.

Sir HENRY DRAYTON: I am not rising to oppose the resolution in so far as its principle is concerned. I could not do so very well because my hon. friend is adopting the policy which we laid down years ago, and which he formerly opposed. I am very glad we have got him converted at last to the idea that the provinces should exercise autonomy in this matter.

Mr. LAPOINTE: My hon. friend has been dreaming.

Sir HENRY DRAYTON: No, I have very vivid recollections of my hon. friend's attitude in the past, and he knows that what I say is correct. However, if he does not think he is converted it is too hot for me to attempt to convince him now. Representations have been made, and I have no doubt they have got so far as my hon. friend, that what ought to be done in connection with the prairie provinces is to prevent importation for beverage purposes except by the provincial governments. It is the evil of drink which is attacked.

Mr. LAPOINTE: This applies only to British Columbia.

Sir HENRY DRAYTON: The prairie provinces get no relief under this at all?

Mr. LAPOINTE: They are under Part 4 of the Canada Temperance Act. This applies only to British Columbia, and possibly to Quebec if they care to adopt it.

Sir HENRY DRAYTON: What about the man who needs alcohol in his manufacturing business, which he never can sell and never wants to sell as a beverage? Is his business to be interfered with; is he to be put in the hands of somebody else to be held up in connection with his supplies?

Mr. LAPOINTE: No, my hon. friend need not be disturbed about that. Even under Part 4, which is the strictest part of the Canada Temperance Act, there is an exception for manufacturing purposes.

Sir HENRY DRAYTON: I do not notice that in this resolution.

Mr. LAPOINTE: I think it is already in the act.

Mr. HANSON: Is not the purpose of this legislation to give to the government of British Columbia a monopoly of the liquor traffic in that province?

Mr. LAPOINTE: My hon. friend may call it a monopoly, but the effect of the proposed legislation is to prevent the importation of liquor except through the government of the province.

Mr. HANSON: That gives them a monopoly.

Mr. LAPOINTE: I may say to my hon friend from West York (Sir Henry Drayton) that I have taken a note of his suggestion, and if the point is not clearly covered I will add an amendment so that manufacturing concerns will not be disturbed.

Mr. CLARK: Is there not another bill in this connection that the government propose to introduce?

Mr. LAPOINTE: There is another bill on the order paper dealing with Part 4 of the Canada Temperance Act.

Mr. CLARK: Under the legislation to be introduced on this resolution will the attorney general or the government of British Columbia have power to request the Department of Customs and Excise or the Dominion government to grant to any bonded warehouse in the province a license for export purposes?

Mr. LAPOINTE: The prohibition of importation will apply to all. The act will not apply unless, by order in council, the government of British Columbia asks this government to issue a proclamation to that effect.

Mr. CLARK: The proclamation would not apply, for instance, against private citizens, and except bonded warehouses?

Mr. LAPOINTE: No, it would be general in its application.

Resolution reported, read the second time and concurred in. Mr. Lapointe thereupon moved for leave to introduce Bill No. 209 to amend the Canada Temperance Act.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES SUNNYBRAE-GUYSBOROUGH

Hon. GEORGE P. GRAHAM (Minister of Railways) moved that the House go into committee to consider the following proposed resolution:

(1) That it is expedient to bring in a measure to provide for the construction or completion prior to the thirty-first day of August, 1928, of a line of railway from Sunneybrae to Guysborough, in the province of Nova Scotia, by the Canadian National Railway Company;

(2) That the company may issue notes, bonds and securities in respect of the said construction, and the Governor in Council may authorize the guarantee thereof;

(3) That provision be made for the issue of certificates as to mileage by the minister, but neither the minister in the issuance of such certificates nor the company in the performance of the work of construction and completion or in the issue of its securities shall, unless by consent of Parliament, exceed the estimated distance, expenditure and average expenditure per mile by more than fifteen per cent; and if upon final survey it appears to the company that the expenditure involved in the completion thereof will exceed the limits of expenditure estimated, the company shall not commence nor proceed with the work without first obtaining the approval of Parliament.

(4) That the nature, terms and forms of securities to be issued and guaranteed shall be such as may be approved by the Governor in Council and signed by the Minister of Finance;

(5) That to enable the work of completion of the said line of railway to proceed forthwith, the Governor in Council, pending the issue and disposal of such guaranteed securities, may authorize advances to be made to the company from the consolidated revenue fund, such advances to be reimbursed to His Majesty from the proceeds of the sale or other disposition of such securities;

(6) That the minister shall annually present to parliament a statement of the work and expenditure, advances and amount of advances reimbursed, and all such other information as he shall require or direct.

SCHEDULE

Location	Mileage already graded	Estimates		
		Mileage including existing grading	To be expended	Average expenditure per mile
			$ cts.	$ cts.
From Sunnybrae to Guysborough in the province of Nova Scotia	0	67	3,500,000 00	52,238 00

Motion agreed to, and the House went into committee, Mr. Gordon in the chair.

Mr. GRAHAM: I would like to get this through if I can and send it on to the Railway committee. I have put a bill in reference to this resolution through the House three times, and this is the fourth attempt. Some years ago, before the Canadian National came into existence, when the Intercolonial was controlled indirectly at least by the Minister of Railways, a bill was put through both Houses of parliament for the construction of this line, but it was not constructed. Last year and the year before, this House passed a bill for the

construction of this line, but the bill did not become law. If we could get the resolution passed and sent on to the Railway committee, all the details could be discussed there. It is an old and familiar matter. There is nothing that I can say concerning it that was not said last year. If the committee would acquiesce, I would like to get this put through the committee stage, and sent on to the Railway committee.

Mr. GOOD: Why was construction not proceeded with in the past?

Mr. GRAHAM: The last two years the bill did not become law.

Mr. GOOD: It was killed in the Senate?

Mr. GRAHAM: Yes. This House passed it.

Sir HENRY DRAYTON: I do not know that it is necessary to say over again everything that has been said before on this question. I do not know that my hon. friend really has any change of heart in connection with it. This is a first-rate railway to talk about; it might be a railway to build when you have more money than you know what to do with. My hon. friend got, before, the right to build this railway, but he did not go on with it.

Mr. GRAHAM: He did not have a chance; the government changed.

Sir HENRY DRAYTON: We have been having any amount of talk about this railway for I don't know how many years. It goes back, I think, past even my hon. friend's political memory, and that is saying a whole lot. Everybody has taken a whack at it. Of course, it is a popular thing down there, but I am afraid it is not a matter of very good business. I have not changed my opinion at all one way or the other as to the commercial necessity of this line. I do not know what my hon. friend thinks his political necessities are to-day, but under the circumstances I do not think I can usefully take up any time in opposing this bill here.

Mr. HANSON: There is only one thing the minister omitted to say to us this year that he has not said before, and that is the imminence of the provincial elections in the province of Nova Scotia. It is necessary once more to trot out this resolution for this paper railway because in a few days the people of Nova Scotia are going to be called upon to vote for or against a moribund government down there, and it is necessary, in order to carry the county of Guysborough, that this resolution should pass this House, and that the bill founded upon it should be introduced and passed. When that is done and the election is over, that is all we will hear of this railway, because no sane railway man in Canada would ever think of building it.

Resolution reported, read the second time and concurred in. Mr. Graham thereupon moved for leave to introduce Bill No. 210 respecting the construction of a line of railway from Sunnybrae to Guysborough, in the province of Nova Scotia, by the Canadian National Railway Company.

Motion agreed to and bill read the first time.

SUPPLY—EXPORT OF POWER

Hon. GEORGE P. GRAHAM (Minister of Railways) moved that the House go into committee of Supply.

Mr. R. V. LeSUEUR (West Lambton) moved in amendment:

That the Speaker do not now leave the chair, but that it be resolved

That in the opinion of this House export of hydro electric power from Canada should be permitted only on yearly license, and no license should be issued beyond those at present outstanding except for off-peak power.

He said: I am moving this resolution because the question involved is of grave importance to this Dominion; because I feel that it would be unwise to permit the session to close without this House recording definitely and clearly its attitude on this question of the export of power; and because I believe the resolution has merits and is both reasonable and practicable. I will endeavour to be concise in my statement of the matter.

In the first place, allow me to say that we as members of this House, no doubt have in a more or less general way a realization of the important place which hydro-electric energy to-day occupies in our national life; but I doubt whether a clear, ample, and serious appreciation of just how great a factor hydro-electric energy is in our national life to-day or how great a factor it is destined to be in our future development, can be had without a fairly detailed study of the growth and history of hydraulic power, and without a study of the uses to which hydro-electric power is put to-day. Such a knowledge and such an appreciation is possessed by men like Sir Adam Beck and Mr. J. B. Challies, men who have deveoted the greater part of their lives to the study of this question, and whose disinterested and consistent efforts towards the development of our hydro-electric power are well known. I wish to quote a few of the statements of these gentleman and their statements are entitled to much more weight as to this phase of this question than any

statements I can personally make. Mr. Challies, in July, 1924, delivered an address at the World Power Conference in London on The Water-Powers of Canada. Mr. Challies was then the Director of the Dominion Water Power and Reclamation Service, and as showing the importance to us of our water-power development, I wish to make a few quotations from his address on that occasion. He said:

During approximately the last decade in Canada, while the population increased 22 per cent, the water power developed increased nearly 100 per cent, the use of water power in industry 245 per cent, and the capital invested in manufacturing industries 175 per cent. . . . . But the water power now developed in Canada amounts to 3,227,414 horse power and represents, including transmission and distribution, a capital investment of $688,000,000. Despite the continuous development that has taken place in the past and the 750,000 horse power of new construction now in hand, the demand constantly exceeds the supply and it is estimated that some $300,000,000 of additional capital will be needed to meet the actual power demand of the next ten years.

Again he says:

The extensive use of hydro-electrical energy is largely dependent upon and evidence of its low cost. Plate No. A-3 illustrates the source and character of the power supply for the industrial centres of the Dominion, and shows that water power not only completely dominates the situation in central Canada, where no native coal is found, but it also controls the market for industrial energy in the maritime provinces and British Columbia where excellent coal is found.

When referring to particular industries he makes some statements which I believe will enable this House to grasp in some detail just how important electrical power is to our industries. He says:

Pulp and paper manufacturing is a typical and important Canadian industry with a prosperous future, the result of two natural advantages,—abundant supply of growing pulpwood and cheap accessible motive power in large quantities. The importance of low cost power lies in the fact that it takes practically 100 horse power to produce one ton of paper per day. It is not surprising, therefore, that motive power used in this industry is almost altogether restricted to hydraulic energy and that Canada's premier advantage and position in the pulp and paper field rests on adequate and abundant water power well distributed among extensive timbered areas.

He refers also to mining as follows:

The mining industry of Canada owes its present rapid development to water power, even coal mines use hydro-electric energy where possible. The metalliferous mines of northern Ontario now utilize in excess of 100,000 horse power of hydro-electric energy and the development of further water power sites is rapidly proceeding in order to overtake the demand for energy. If the mines of Ontario had to depend on imported coal for their power requirements, the greatly increased operating cost would, in a great measure, have throttled their productiveness, making the working of any but the richer deposits unprofitable and seriously reducing both the annual production and profitable life of the properties.

After stating that the total installed horse-power in Canada has grown from 975,000 to 3,227,414 horse-power since 1910, Mr. Challies goes on to say:

There is every reason to believe that this rate of growth will not diminish. New uses for electric current of the greatest import in industrial processes and services are being constantly discovered. Canada's strategic advantage in the location of large reserves of water-power within transmission distance of her centres of population should attract special industries to these centres in increasing numbers. Population follows industry and at once an added market is created for power for domestic and municipal uses. All the modern tendencies in the utilization of cheap power indicate that the rate of growth of hydro-electric development in Canada will increase rather than lessen.

Allow me also to refer to a statement made by Sir Adam Beck in presenting the annual report of the Hydro-Electric Power Commission of Ontario for the year ending October 31, 1923. He says:

Industrial conditions throughout the province during the year have been considerably below normal, with a consequent reduction in the demand for power for industrial uses. Notwithstanding this adverse industrial condition, there has been a considerable growth in the demand for power on all systems, and on several systems the commission has reached the limit of the capacity of the existing generating plants. It is, therefore, necessary for the commission, on practically all systems, to make arrangements to secure additional power developments to meet the ever-increasing demand.

Sir, I read these quotations as being the statements of men well versed in the hydro-electric power situation of this country, and as evidencing not only the importance of hydro-electric energy in our present municipal, social and industrial life, but also the prospects for its rapid growth and its dominance of our markets for industrial energy.

Now, then, let me say a few words as to why I consider the resolution which I have moved necessary, and why I believe this House should, before the close of the session, definitely place itself on record on this question of the export of power. Some three weeks ago a file was tabled in this House, and in that file we find a letter which in part reads as follows:

On behalf of the Carillon Industrial Corporation Limited I would like to submit for the consideration of the minister and the department two revised drafts marked A and B respectively, and would be obliged if arrangements could be made to have these drafts reviewed with a view to a final agreement between the parties as to the precise forms of the leases contemplated.

Yours truly,
Carillon Industrial Corporation Limited.

I want to refer very briefly to the draft leases referred to in this letter. I will do so as briefly as I can, because these leases have already been discussed and I do it simply as a step in my argument. The first point which we note in this draft lease is that if it is executed and made binding it would grant to the lessee water-power privi-

leges at Carillon for a period which, with the renewals, would last for about 121 years, or to December 31, 2046. The first three renewals can be demanded as of right by the company, and the last renewal can be denied by the government if the government is prepared to purchase the plant and transmission line from the company. Secondly, this draft lease, if completed, would give to the lessee the right to export all the power which is developed at Carillon falls—and which is estimated, I believe, at some 400,000 horse-power—with the exception of such horse-power as the Canadian consumer might desire to consume, but with the limit that the Canadian consumers can only secure up to 100,000 horse-power. In passing I might say that the amount which the Canadian user would be likely to use is very much limited and curtailed and possibly made impossible by two clauses in the proposed lease, one of which says that no Canadian consumer can take power in less than blocks of 10,000 horse-power. In connection with that, I point out that places like Galt, Stratford, Chatham and so on, take less than 5,000 horse-power, so that it would be a very considerable industrial centre that would take 10,000 horse-power. The Canadian consumer to get horse-power from the company must apply for it within two years from October 31, 1924, and after that period they can only get it through the minister at the end of each five-year period. With those limitations, hon. members can see how small would be the amount of power which the Canadian consumer would actually take of that 100,000 horse-power, which is his limit.

Mr. BRISTOL: Referring to the provisions in this contract, would the purchaser have provided by the contract the usual method of transmission of power to the different parts of Canada where the power was wanted to be used, if such users would have to proceed and erect transmission plants?

Mr. LeSUEUR: There are certain clauses regarding transmission, but I would not care to speak as to details without looking up the clauses.

Mr. BRISTOL: It is very important.

Mr. LeSUEUR: And I would prefer to go on with the points which strike me as especially salient in this contract. The other clauses which I wish to bring to the notice of hon. members in mentioning this lease is clause 37, which reads:

> Nothing in this indenture contained shall prevent the company from supplementing the amount of electrical energy generated at Carillon from other developments or sources in case it finds additional electrical energy is required to fill the needs of its customers.

[Mr. LeSueur.]

That is a most dangerous clause, and in my opinion is capable of the widest and most extreme application. In short, the inner and true object of the proposed lease seems to be to permit the exportation of hydro-electric power in very large quantities to the United States, and that over a very long period of years.

The next point which I wish to discuss in this lease is that, under clause 6, it becomes apparent that part of the plan is that the new company, the Carillon Industrial Corporation Limited, shall acquire the present lease now operative at the Carillon falls, and when we turn to the order in council of November 29, 1924, P.C. 2089, we find that it was ordered as follows:

> The minister, therefore, recommends, on the advice of the Deputy Minister of Railways and Canals, that he be authorized to enter into an agreement with the lessee to amend the said lease by granting a further extension of the time to commence the said works until the 1st of December, 1925.

And the reason for that extension is given as follows:

> That a plan for a more extensive development of water-power at the point in question than that covered by the above mentioned lease is under consideration, and the company request that a further extension of the time be authorized for the commencement of the works covered by the existing lease, observing that large sums of money have been spent for investigations made by engineers and bankers in their studies of the question raised by the new proposition, and that it was obviously inadvisable to commence the construction and erection of the works contemplated under the present lease.

That leaves the situation in this position: The extension of the time to commence certain works under the present lease will without doubt come before the government for consideration on or before the first day of December, 1925; that the time for the commencement of such works under the present lease had already been enlarged on account of these studies and investigations made by engineers under the new general plan; and in the natural course it would follow that a scheme more or less as found in the draft lease which we have discussed, or some other scheme covering the large development at Carillon for power purposes, would be before the cabinet or the government on or before the first day of December, 1925. Under those circumstances I submit that it is most important that this House should distinctly go on record and state its position with regard to the export of power from Canada.

In fairness to the government I wish to say that on May 19, this question of the export of power was discussed, and the government made some observations at that time. But in view of the facts which I have stated, and the reasons

which I propose to adduce, I consider that the statements made by the government were not sufficiently direct and clear, and did not go sufficiently far in the circumstances of the case; and that the government, have now had ample time, and should satisfy the House with a very clear, frank and direct statement of their policy in connection with the export of hydro-power, also, in any event, this House should, under the existing circumstances which I have pointed out, place itself on record as to its attitude on the question of the export of power.

Let me now speak very concisely and briefly on the merits of the resolution. I want to deal with this first from a national standpoint and then to some extent from an international standpoint.

In the first place, it is a recognized fact, which we should keep in mind in considering this question, that the benefits which accrue at the point of development of a hydro-power are comparatively small, comparatively nothing, as compared with the developments which accrue at the point of its application. The United States government made a special study of investments and employment at the point of development and the point of application of hydro-power. As the outcome of that study, they found that per 1000 developed horse-power, the investment at the point of development was $250,000 and at the point of application about $1,616,000, or about 13.4 per cent at the point of development and 86.6 per cent at the point of application; that, the number of employees at the point of development was 8.6 and at the point of application 376.4, or about 2.2 per cent at the point of development and 97.8 per cent at the point of application. These facts make it evident that the real and full benefit from hydro-electric energy can be obtained, not by its development within our country, but by its application within our country.

Let us turn to another feature, and that is this. Mr. Challies, who is an authority, states that the available 24-hour horse-power at 80 per cent efficiency, at the ordinary minimum flow, for the Dominion of Canada is 18,255,316. Minimum flow is, I believe, taken as a criterion for the economic utilization. That power, we must remember, covers potential power which is both accessible and inaccessible, some of it being on the rivers of the far north. Sir Adam Beck, speaking of Ontario, states that the figures given by Mr. Challies for Ontario, namely, 4,950,300 horse-power are excessive and he states:

> Taking the international section of the St. Lawrence, the waters now available on the Niagara river, and potentiality of the Ottawa river, there is not more than 2,500,000 horse-power available for economic purposes,—

That is in Ontario.

> —and even if 20,000 second-feet of water additional for Canada should be provided from Niagara waters and all other unused power that may be considered from an economic aspect in Ontario be included, the maximum figure that should be employed in deliberations involving Ontario's water-power would not exceed, say, 3,500,000 horse-power.

Sir Adam Beck in that is looking at it from the practical standpoint of economic utilization. We find also that the full capacity of the Niagara power will be completely utilized in the year 1926. Mr. Challies is authority for the statement that the water-power on the streams leading into lake Ontario is to-day practically fully developed and fully used. We have therefore a situation where the demands of southwestern Ontario, the Ontario peninsula, are growing daily and rapidly, and the situation will soon arise where western Ontario will call for the turning into its channels more and more of the Niagara power and of the eastern section of the present hydro system being supplied more and more from the other falls which are within distributing distance of those places. With that situation occurring, it becomes especially evident that in a very short time the hydro-electric system of Ontario, to speak of it alone, will require to develop more power in the St. Lawrence or the Ottawa river for supplying eastern Ontario, and that their present capacity will be completely utilized in 1926. That is the situation as to Ontario.

Let us look at another phase of the question. The development of hydro-electric energy is no longer a speculation, it is a highly specialized art. In 1921 the investment in hydro-electric development was 68 per cent Canadian, about 6.4 per cent British, about 13.6 per cent American and 12 per cent from other countries. Hydro-electric development is to-day recognized by big financial houses and by the general investors as an established, practical accomplishment. We have in Ontario a Hydro Electric Commission which has a complete organization, which has accomplished wonderful results and which has a surplus to-day of about $40,000,000. Side by side is the province of Quebec where the development of hydro-electric power has been carried on by public utility corporations which supply power under rates regulated by the government. These have also been very successful. They have developed hydro power extensively and are supplying the present needs of that province. The point I wish to make is this, that we have at hand in Canada, ample skill, organization and capital which are ready and willing to develop these powers as fast as they can be developed and

the demand of the country calls for such development. Therefore, as regards central Canada, we have this situation, that the development and application of power should both be in Canada if we are to get the greatest benefit; that practically the whole of the power now developed in Ontario is used; that the demand for more is pressing; and that the next point from which that power can be obtained for Ontario and central Canada is the St. Lawrence and the Carillon falls. Further, we have in Canada financial institutions and public utilities which are in a position amply to finance any scheme of power development which this country needs, and the investing public are, I believe, to-day fully acquainted with hydro bonds and fully satisfied that the development of hydro-electric energy is a business and practical proposition. We are therefore not dependent on foreign capital for the development of our hydro powers.

Let us now look for a moment at the international situation. I believe it is a fact that if we export large quantities of hydro-electric energy to the United States, there will grow up around the places to which that hydro-electric energy is forwarded, industries in which will be invested large sums of money as well as their workmen's houses, so that you will have created a large industrial and municipal community situated around the point of application of that hydro-electric energy. In that case, whether your license is yearly or not, a very disturbing situation may arise. We must remember two things: in the first place, it is almost an historic fact that yearly licenses are as a matter of course, renewed from year to year provided the licensee has not defaulted or committed some act contrary to the terms of his license; and, in the second place, hydro-electric power is not like any other commodity. Ordinary goods you can store in large quantities and for a long time, as a rule; and when the usual supply is cut off you can secure purchases in other markets. But hydro-electric energy is a service and is transmitted over an expensive and fixed transmission system; it is developed at fixed points at a large cost; and the cost per horse-power is usually fairly stable and fairly low. Industries that build up their fabric upon hydro-electric energy depend upon these conditions; and these conditions existing, if we attempted to withdraw our hydro energy from any foreign community such action would I think constitute a proper case for diplomatic intervention on the part of any government in the interests of its nationals.

[Mr. LeSueur.]

Mr. WOODSWORTH: Is there any danger on the other hand, if we possess power which we might export and would not, of there arising an international bitterness because of such refusal, with possible reprisals? In such an event, might not the United States refuse to send us coal, for instance, for use in Ontario?

Mr. LeSUEUR: I do not think that such a situation could arise if we did not now make it possible. We shall need in the very near future all the power that we can develop at Carillon and on the St. Lawrence generally, and there is no reason why we should permit a situation to arise such as is suggested. Once such a situation did come up, then I think that any withdrawal of power would be very serious and might lead to grave complications. But if we see to it that nothing of the kind shall be possible I do not see how any reprisals can take place. These are my reasons for thinking that this question of the export of power should be very carefully considered. A wise course adopted now might obviate a very embarrassing condition of things in the future, and I do not think that a yearly licensing system, permitting the export of power extensively, would save us from the consequences that I have described.

There will be, I assume, very little question of that portion of the resolution that calls for the export of power on a yearly license only. As to the second part of the resolution, providing that no license shall be issued beyond those at present outstanding, except for off-peak power, I would offer a word of comment. We all know that at certain hours of the day the use of electricity becomes much heavier. Between five and seven o'clock you always get a peak, and after that your graph descends rapidly, showing a smaller amount used. The filling-up of these gaps is what we would call the off-peak power, and a contract for off-peak power is quite a common occurrence, being found very useful both to purchasers and sellers. It is essentially not a permanent contract. I do not think that any new industry would start up or any old industry greatly expand on a contract for off-peak power, but at the same time I believe it serves all the purposes of the present situation and is both reasonable and practical.

5 p.m.

For the above reasons I believe that the amendment has merits that should commend it to the House and should receive its approval.

Mr. R. B. HANSON (York-Sunbury): I desire to say just a few words in seconding the amendment of my hon. friend (Mr. LeSueur), and in doing so I want to state my adhesion to the principle underlying it. Water-power is both a raw material and an implement; I submit that it is in no sense a finished product. And if we in this country are to take the fullest advantage of that with which nature has so bountifully endowed us, it is our duty to approach with the utmost wisdom the whole question of the utilization of this great natural resource. I can quite understand that in days gone by it was the most natural thing in the world that there should have arisen a business of exporting power. In days when the value of electrical energy was not so high as it is to-day and when the industrial life of the country was scant and meagre in certain communities, especially where nature had endowed the country with undeveloped water-power, the expense of the financing and flotation of hydro electric propositions being also as heavy as it was, it became necessary that an immediate market should be found for the energy thus developed and an immediate income and return should be at the command of those who were pioneers in the movement. Be that as it may, and notwithstanding that the companies which had been financed by bond flotation found it advisable to carry out a policy of exporting power on long-term contracts at a very low rate to ensure the return of an adequate revenue to the promoters and to make the sale of securities safe, that being an important factor in the industry, I still think that nearly all of the promoters of these companies, who had vision enough to go into the business, have found that it has been a great mistake. To-day they find themselves, in the lifetime of their institutions, tied up to long-term, low-priced contracts which prevent them from making the money out of the industry which they otherwise could and should have made.

I have not very much to say concerning the export of power in the past; it is to the future that we should look. We have high hopes of being able to build up our industrial life here, but unfortunately for the central portions of Canada, especially the provinces of Ontario and Quebec, we have no coal which will produce power. But the very same parts of the country which have been treated so scantily by nature in this respect have been abundantly blessed with water-power, being particularly rich in that resource. As has been stated here this afternoon, the available water-powers of this country, estimated by government officials, are no less than eighteen million horse-power. This total includes not only those water-powers which are easily available for exploitation in the immediate future, but also those which are very far afield and of which there is no immediate prospect of development. Of the eighteen million gross horse-power available, something over three million horse-power has already been developed, and I think it has been demonstrated this afternoon that in Ontario the limit will be reached within the next twelve months. The fact should impress itself upon hon. members and upon the people, that while we have a very substantial development in Ontario, the maximum is already in sight, and that with respect to any powers in this or in the adjacent province of Quebec which are undeveloped the greatest care should be exercised as to exportation. An hon. gentleman to my left during the course of the remarks of the hon. member for West Lambton (Mr. LeSueur) raised the old bogey of reprisals. I do not see how there can be any possibility of reprisals by our neighbours with respect to that which they have never had. I can quite understand the suggestion might apply to the withdrawal of power which they already enjoy. And let me say to hon. members that in any given instance where power has been heretofore exported, it will be found that upon an attempt being made it is practically impossible to discontinue its export, for investments have grown up and the people on the other side have become dependent upon the imported power not only for their industrial but for their community life. In my own province the first hydro-electric development was not a large one, that at the Aroostook falls on a branch of the St. John river, wholly within the Dominion. That development was made years ago by a gentleman living in the adjacent state of Maine. Many of the bonds were sold there, as well as most of the stock, the remainder being held in Canada. For the first ten or fifteen years every horse-power of electrical energy developed was exported to the United States down through the county of Aroostook to a chain of towns that have grown up there during the past forty or fifty years. To-day those communities are wholly dependent on that power for many of their municipal conveniences, and the installation is the only one within reasonable distance of any of them. I would lay it down as being incontrovertible that should the export of power in that particular instance be refused, the feelings of those communities would be outraged, and I have not the slightest doubt that the question would soon pass from the

local into the international arena. Conceivably no government in this country could stand by and see those communities rendered helpless by the withdrawal of power. I need not labour the point. It is simply a concrete illustration of a situation that has arisen in my province. In a more marked degree I understand that in other portions of the Dominion along the international boundary a similar situation exists.

With respect to the future, I think the country has every right to know what policy is to be pursued by the government in power. I must say that the statements made by members of the government who have spoken on this particular question recently have had a very disturbing effect. The Minister of Railways (Mr. Graham) was supposed to have stated where he stood on this proposition, but I must confess that he left me in absolute doubt. I think the time has arrived, especially with respect to the Carillon waterpower, when we should know definitely where the government stands, and I am very glad that the hon. member for West Lambton has brought this vital question before the House. As to the principle involved, I do not think that in this quarter of the House there is any division of opinion. We believe that, as stated in the terms of the resolution itself, there should be no further exportation of electric energy over and above that which is already allowed, except as specified, and then only under licenses which the exportees or consumers should understand may be cancelled on the termination of reasonable notice.

Some hon. gentleman has stated that power is something we have to sell. Well, if you view it as a finished product, which I do not, it is a commodity the export of which would bring certain returns to the country. But how disproportionate those returns would be compared with the application of the principle of using the power at home. With regard to the effect of refusing to lend this power to our neighbours in return for what after all is a mere pittance compared with the total to be developed, may I point out that in one section of the province of Quebec during recent years no less than nineteen branch American factories have been established because of the cheap water-power there available. I refer to the Eastern Townships. I have heard hon. gentlemen in certain quarters of this House sneer at the idea of the establishment of branch American factories in this country. Well, I never thought it was a bad thing for us to have outside capital come in. For at least the next half century Canada will be dependent for its development upon the importation of foreign capital, whether it be in the form of direct investments in the industries themselves or in the form of loans, and I think in either form it is something that is wholly to be desired. It may interest hon. gentlemen to have a list of the factories to which I have referred. Heading the list is the Canadian Connecticut Cotton Company Ltd. Hon. gentlemen from the Eastern Townships of Quebec are no doubt familiar with that company. Will any one of them say that the establishment of that branch has not been of immediate material advantage to the community at large? Then there are the Panther Rubber Company, Dominion Hair Felt Company, Kenworthy Brothers Company, Dominion Blank Book Company, Edwin G. Schutz Company, Canadian Manhasset Cotton Company Ltd., Canadian United States Knitting Company, Premier Silk Mills, Ltd., Waterville Veneer & Panel Co., Canadian H. W. Gossard Company Ltd., Butterfly Hosiery Company, Jenckes Canadian Company, Macdonald Wire Goods Company, Dominion Silk Dyeing and Finishing Company, Franco-Canadian Dye Works Ltd., and Paramount International Company of Canada Ltd.

All of these companies, I am credibly informed, have come to Canada not particularly because of the tariff, though incidentally that has had an effect upon the establishment of these branch factories in this country, but they have come to Canada largely because of the availability and to be near the source of cheap power. I therefore from that point of view, the establishment of industries in our country, and that appeals to me very strongly, urge upon the government and the House and the country the very great desirability of adopting such a policy as will keep this great natural asset for the development of industry in our own country. If, however, hon. gentlemen in this House want this country to be merely a country where we shall produce nothing but raw materials for export, if they do not desire anything in the form of industrial life, and I have heard hon. gentlemen give expression to that point of view, then I say one of the best means of limiting the activities of this country to that particular branch of production is to grant the privilege such as is asked for by the Carillon promoters, and allow the practically unlimited export of this implement of production from now on. If, on the other hand, hon. gentlemen have a higher vision as to the destiny of Canada, if it is their desire to promote industry, not confined to the local market at all, but the development of an export trade, and no country I submit, is better

situated for export trade than are the Maritime provinces of the Dominion, some heed will have to be paid to the potentialities of our undeveloped water and to legislation and regulations that will surround and properly safeguard the export of hydro-electric energy.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, there is not very much difference between what hon. gentlemen opposite who have spoken have urged, and what has always existed in Canada, or for the last few years at least. At the present time the export of power to the United Sates is not so very great. Two organizations export practically all of it. Those are the Cedar Rapids Power Company, exporting to Massena, and the Hydro-Electric Power Commission of Ontario. The Hydro Electric Power Commission of Ontario has an old contract they took over which dated prior to the passing of the act referring to the export of power. There might be difficulties in the way of recalling that one, but I am not sure the difficulties are paramount in recalling even that power if it was so desired, as well as the other. If I recollect aright, the Cedar Rapids Company recalled their power during the war, for war purposes, or at all events they gave their consent to Canada doing that.

But the question of the export of power is, of course, altogether different at the present time as compared with conditions existing a few years ago. I am not so sure that the time may not come when we shall have to ask for at least some of the power that is being exported to be returned to Canada if the need exists, and it is just as well a discussion of this kind should take place.

The value of power, of course, is not to be minimized, but I think some hon. gentlemen make the mistake of thinking that a larger percentage of the cost of manufacturing is tied up in power than is actually the case. Experts tell us that in the United States, where the power is used in manufacturing, its cost averages only about 2½ per cent of the entire cost of production; but that is an amount of course, not to be despised.

Some person has argued as if an agreement had been made between the government of Canada and some company in reference to the Carillon power. I think it is unfair to keep continually sending out to the public an intimation that such an agreement has been made. That agreement has not even been considered as yet; in fact, I have never yet read the application all through. So we are perfectly free to discuss this matter just as though that application were not in. Just to illustrate, suppose I were to try and borrow $100 from my hon. friend from West Lambton (Mr. LeSueur), and then went out and said he had loaned me that amount. He would be in a much better position than if he had actually loaned me that amount, and I ought not to make the suggestion that he had loaned me that money simply because I had asked for it. Now that is just the situation with respect to the Carillon pawer.

I am glad to say that our discussions are temperate in this matter. We in Ontario and a portion of Quebec, and in part of the west, depend largely for our coal upon the United States. Our anthracite coal has all to be brought in from the United States, and year after year when there is a scarcity we send our representatives over there to see that we get a square deal, and up to date the United States has given us a square deal in giving us our share of anthracite coal, even though they were pressed very hard on the other side of the line to shut off our supply of anthracite. I might say that I am in hopes, and the government are in hopes, that before long we may be able to evolve a scheme which will relieve the situation to a large extent so far as anthracite coal is concerned, by the use of our own coal both in the east and west for the manufacture of coke. If that can be done, we shall be in a different position from what we are in to-day.

My hon. friend has discussed the off-peak. I am not sure that the off-peak, as we call it, is in a much different position from the other power. I know that my hon. friend from York-Sunbury (Mr. Hanson) argued that out delicately, so as to convince the House that allowing the United States to have power from the off-peak did not mean anything. But this is the real reason, or at all events, one of the main reasons for not allowing our export of power, namely, that the export of our power allows industries on the other side of the line running on Canadian power to compete with industries in Canada. Now they can compete just as well with power from the off-peak load as they can with any other kind of power. It might possibly be that if they were not allowed to get that off-peak power, they would not be able to carry on their business to the same extent they do and compete with us here. So I just call attention to the fact that the off-peak power is almost in the same position as the other power.

Mr. MEIGHEN: Does the minister say that any industry would ever commence on

the basis of a contract merely for off-peak power?

Mr. GRAHAM: Probably not, but they might have to shut down if they did not have off-peak power, which would make quite a difference.

Mr. MEIGHEN: That is just the point.

Mr. GRAHAM: If the off-peak power from Canada would enable an industry in some other country to get going and compete with our own industry, and that foreign industry could not compete if they did not have the off-peak power, then I submit that the off-peak power is in the same position as the other.

My leader the other night I think told the House that the government has not any desire and no intention to depart from the regulations now in existence which restrict the term of the export of power to twelve months, the licenses having to be renewed every twelve months. It is the duty of the government every year to ascertain that the power the new license asks for does not deprive Canada of certain power that Canada ought to have, and the Minister of Trade and Commerce now requires an affidavit when an application of this kind is made that the power is not required in this country, before he grants the yearly license. I admit at once that long term licenses might create a very difficult situation; but where there are short licenses, granted since the passage of the act in 1907 with the full knowledge that they might be recalled at any time, there could not be any serious complaint if these licenses were granted from year to year.

Now, let me come to another point, so far as the yearly licenses are concerned, although a great many people say that is a mistaken idea in the case of Canada. Let me illustrate what I have in my mind. I am not saying this is my view at all, but it was placed before me the other day: If the license were extended for a number of years, covering a long period of time, the party to whom the power was exported would amortize the amount of his expenditure and if at the end of say twenty years he had to return all that power to Canada he would then have no investment so far as that expenditure was concerned; the profits from his business would have met all his expenditure. However, I am not going to discuss that question at the present time. That is a phase of the matter I give to the House for what it is worth. It is different in the case of a yearly license. If a license is given for twelve months, as has been the practice since 1907, the party who receives the power—unless something unforseen happens or he gets notice to the contrary in advance—has a certain right to believe that year by year that license will be renewed. That is really what has been done. That is what has to be done if the contract is for 100 years. That has been done for years in the case of the Hydro Electric, and that is being done also in the case of the Cedar Rapids power development. Giving a license year by year leads to the conclusion that, unless something unforseen happens, such yearly license will be granted annually.

Now I want to come to another point and that is the last part of this amendment. It does not say anything about the power that has been exported or is being exported now. I am not sure that I would go so far really with my hon. friend as to absolutely confine export only to new power. There may come a time in Canada—it may even be approaching—when we will have to serve notice—it may be some years in advance—that we are going to gradually take back the power we are already exporting; and in a case of this kind I think we should not commit ourselves as this resolution says to the extent that there should be no exportation.

Mr. MEIGHEN: It does not say that.

Mr. GRAHAM: It intimates that.

Mr. MEIGHEN: Oh no.

Mr. GRAHAM: The resolution says that we are not to export any new power. That means inferentially that we are not to interfere with something that is being exported.

Mr. MEIGHEN: Oh no.

Mr. GRAHAM: It excludes power that is being exported from any resolution we may pass as to non-exportation. That is a fair way to put it.

Sir HENRY DRAYTON: That is right.

Mr. GRAHAM: Now I wish to refer to the attitude of the hon. member for York-Sunbury (Mr. Hanson). He is from New Brunswick. If we pass the last part of that resolution and adhere to it the provincial power development scheme in his own province, now partly accomplished will have to be stopped. In that province the provincial government has been working out the development of a provincially owned power scheme. That scheme, as I understand it, has been referred to the International Joint Commission, and they have given their consent to this particular development in international waters only on the understanding that a

certain part of that power will be exported to the United States.

Mr. HANSON: No, they have not done that.

Mr. GRAHAM: I am told they have. My own information to-day is that they have. Further than that I am told—I stand corrected but I would want to see the records—that a portion of this development will have to be used in the state of Maine—

Mr. HANSON: Not of the first development.

Mr. GRAHAM: Wait until I get through—and that if we adopt the resolution in its entirety in this House the province of New Brunswick will have to begin de novo as the lawyers say and ask the International Joint Commission to agree that power be developed without any reference to export. If that is the case the power cannot be developed because being international in character the United States would never agree to any other proposition. I just want to point out to my hon. friend and to the House that we must be careful how far we go with a resolution aimed at the export of power. The general principle may be all right but if we are going so far as to say that it never shall be possible, that it cannot be possible under any circumstances, that any new power developed in this country should be exported, then we may tie up some very laudable enterprises including the development under way in the province of New Brunswick which is not in the hands of a private concern at all but is a provincial enterprise respecting which the province has been trying for a long time to get a proper status so that it could proceed with the necessary construction and development. I think we ought to be very careful as to how we proceed in tying up beyond peradventure the right of some province to export power. The province of New Brunswick is going into the export of power, and the province of Ontario is exporting power under certain conditions. Well, conditions might arise as a result of which the enterprise—I have already indicated the New Brunswick development and I think my information in regard to it is correct—might probably be killed if we tie ourselves down to a resolution like this irrespective of any conditions which might arise in the future. Of course, I can imagine the time might come when it might be the duty of any government then in power, no matter of what party, to consider the situation and to see that the power in Canada is retained to the people of the Dominion to whom it belongs; but to tie ourselves up absolutely and to say that under no circumstances whatever shall power be exported would be an altogether different thing. I think my hon. friend will see himself that it might be a mistake to make this resolution so far-reaching. Personally I have no objection at all to the first part of the resolution, but I think it would be a great mistake to insist that we should never export one single horse-power hereafter except off-peak load.

Mr. CHURCH: Will the minister clear up one point? Will he state what action has been taken touching the proposed development of 800,000 horse-power at Morrisburg? An application is before the Dominion government with respect to that development but I am not aware that any action has been taken in the matter. Will the minister say whether the application has been refused, or what course will be pursued by the government in regard to it?

Mr. GRAHAM: In reply to the hon. gentleman let me say that when the vote in connection with the St. Lawrence waterways project comes up, as it will come up in the miscellaneous estimates, will be the proper time to speak on this question. It will not be a short statement; I will be able to speak half an hour on it.

Sir HENRY DRAYTON: I want in the first instance to deal with the last matter my hon. friend referred to, the New Brunswick situation. That is not a question affecting New Brunswick alone, but it really has to do with the question of the development of international power. I point out to my hon. friend that in so far as the development of international water-powers is concerned, we have only our allocated interest in them. Surely our friends to the south are entitled to their interest in those powers, export act or no export act. We all know that. Suppose New Brunswick carries out an international development on the border of the state of Maine, and the state of Maine is entitled to fifty per cent of the power, it is idle to say she cannot get her own fifty per cent, because we have an act here the purpose of which is to control the business of gentlemen engaged in the production of electric power in Canada for export to American customers. In this case it is theirs; the right is there, and there can be no difficulty about it. If my hon. friend thinks there is a difficulty about it, I am quite sure the mover and seconder of the resolution will be only too happy to accept any amendment that the hon. member may think is necessary in order to

give effect to a situation which I am sure is amply covered by things as they stand today.

Mr. GRAHAM: This power is being developed on Canadian territory as I understand it. There could be no power exported unless the Department of Trade and Commerce in Canada gave a license for that export, and if that were to be done I think a special act would have to be passed to allow them to do it for a term of years.

Sir HENRY DRAYTON: I have not the act before me in answering my hon. friend's question, but I would have thought it elementary that that would refer to our power.

Mr. GRAHAM: It does.

Sir HENRY DRAYTON: What is to be done here in New Brunswick is the development of water-power in which our friends to the south have an absolute interest, and if they have an absolute interest they are entitled to that power as a matter of right, and their rights are not made subject to the stipulation that the government pass upon it as a question of license and refuse export if it pleases. It is a matter of right and contract between the parties. These are in effect treaties, and neither party has the slightest right to attempt to hamper either of the high contracting parties through licenses which are intended to look after traders. International law looks upon nations as just a little above and apart from traders and manufacturers who are covered by cases of this kind. It is not necessary to labour this question. If the government are serious in thinking there is the slightest doubt about it, we will accept any amendment which will make the point absolutely clear.

The next point to which my hon. friend refers is the question of off-peak power. He says it is just as bad to export off-peak power as it is firm power. I can hardly think my hon. friend is really serious in that. He may be able to point one phase of the situation, with his accustomed adroitness, and, not putting all his cards on the table, say to us that there is not any difference; but he knows very well that there are very important considerations of far greater moment than any considerations he has referred to on that point. He knows perfectly well, as we all know, that the real serious thing is the investment of money, the creation of large industry and the like, on the faith of this power exported, and my hon. friend admitted that no investment would be made merely on the basis of off-peak power. But I am anxious—and I think the country is anxious—that we should have no little shadows in connection with this case, and no excuse why a resolution in favour of the retention and protection of one of our greatest assets should be set aside. Therefore we are perfectly content to strike out that off-peak power reference if my hon. friend does not like it, and let it go. If there be any objection to that exception let us remove it. It was put in simply because the attitude at any rate of hon. gentlemen in this corner of the House honestly interested in this question is absolutely reasonable, and in every single case where we can help an American interest without destroying a Canadian interest we want to do it. As we viewed the matter, we were not hurting our Canadian interests, and we were helping the American interests in connection with that off-peak power. What is the off-peak power? It is power which is exported under a special arrangement as a matter of fact with the Hydro Commission and the American interests at Niagara. It is power which is absolutely interruptable at any time. It may be stopped on a day's notice, and the usefulness of it is perfectly plain in connection with the production of electricity at the falls. In connection with the Buffalo situation and in connection with the Niagara and Lockport situation we have composite production. We have very large hydro production and we have also production by steam. At the present time industry in the state of New York is still functioning, so that it requires off-peak power. The situation is such that coal is used in Buffalo for the purpose of producing that off-peak power, and interruptable off-peak power is being exported, for the purpose of saving our American friend's coal supply and is not hurting a single Canadian interest that I know of. But if my hon. friends think that this part of the resolution should be dropped, very well, we are content.

My hon. friend practically argues that this resolution is all right providing we can go on exporting. He argues that we run no risk if we can go on exporting. Suppose we test that situation as to whether we run no risk if we go on exporting. He points out that a license is merely a yearly license and further than that, under the express wording of the act, he can also point out that it may not even run for a year. The statute says the government may at any time terminate it; so that on paper we have even a stronger argument. There is notice under the act to every single contractor in American territory receiving Canadian power, that not only is he dependent upon a yearly license, but that the govern-

ment can at any time cancel it. Just let us see how that works out. The hon. member for West Lambton (Mr. LeSueur) this afternoon gave us some very good figures in connection with the relative cost of power installation, how much of it goes into the plant and how much into the distributing plant and the different factories that are run by it. The percentage, as he properly points out, is overwhelmingly weighty in connection with the districts where the power is used. We have had this export act in force since 1907. We have the export, as the Minister of Railways and Canals points out, at Niagara; we have it at Massena and we have that act of 1907 which was passed I believe after the contract with the Ontario Power Company but which certainly antedates the other contract. We have had power shortages from time to time. No man in this House knows better than the Minister of Railways and Canals that there is a power shortage in eastern Ontario. He knows eastern Ontario is industrially starved for lack of electricity. He also knows that through that very territory, in which he naturally is interested and which he desires to help, there runs a line of the Cedar Rapids Company, delivering, if I remember rightly, 80,000 horse-power annually for use in the United States. Is the Minister of Railways and Canals without the slightest concern for his district? Not at all. We all know him to be a gentleman of the kindliest heart and the readiest sympathy; but there he has been sitting for years with the high tension wires of a company exporting electricity under a license which can be cancelled at any time, and seeing his district practically lying dormant because it cannot get electricity in its manufacturing business.

Mr. GRAHAM: The territory around Brockville gets it from the Cedar Rapids Company.

Sir HENRY DRAYTON: Is the minister satisfied with the quantity of power eastern Ontario is able to get?

Mr. GRAHAM: I am not satisfied with the price.

Sir HENRY DRAYTON: Is he satisfied with the quantity?

Mr. GRAHAM: We have all we need at the present time, I think.

Sir HENRY DRAYTON: My hon. friend has a very poor idea of the requirements of that district. Why, the Ontario commission, with the greatest difficulty in handling, were able to get a miserable 5,000 horse-power from Massena. Is the minister satisfied?

Mr. GRAHAM: Not with the price.

Sir HENRY DRAYTON: Is he satisfied with the price they have to pay or the quantity?

Mr. GRAHAM: I do not think they get it from Massena. They get it from the Cedar Rapids Company.

Sir HENRY DRAYTON: They get it in connection with the export.

Mr. GRAHAM: From the same company that exports it.

Sir HENRY DRAYTON: At any rate, what is the minister going to do? Ottawa has already served notice that in a comparatively short time she will require 20,000 more horse-power. Where is it coming from? The real truth is—and every representative from eastern Ontario knows it—that eastern Ontario power demands have never been adequately met. My hon. friend nods his head. Then no further argument is necessary in connection with this question after that affirmation. With the demands of eastern Ontario never having been adequately met in connection with their electrical requirements, with 80,000 horse-power passing through their territory, it is perfectly clear that if my hon. friend thought he could have put the act into effect, stopped the export of that power and looked after his territory, he would have done so. Why has he not done it? He has not done if for the simple and plain reason that just as soon as we allow commitments to be made, just as soon as we have United States municipalities lit, waterworks run and industrial centres becoming dependent upon our power, my hon. friend would hesitate very long and gravely before he would stop the export of that power or any of it. That my submission is absolutely correct stands superabundantly clear because we have here the shortage admitted, we have a situation in eastern Ontario, as my hon. friend himself admits, where their power demands have never yet been properly met, and we also have running through that territory transmission wires carrying 80,000 horse-power out upon a license which, technically, can any day be cancelled.

It is idle to talk about the large water-powers of Canada having regard to our present situation. To-day in central and eastern Ontario we have an absolute power shortage. No man, I think, could speak better on the question than Sir Adam Beck, but I believe the facts are all present in the mind of the Minister of Railways and Canals. If we start to the west it is true that west of the Soo we have plenty of water-power, but coming down from the Soo, the east side of

lake Huron, the north side of lake Erie, is there a stream left on which the water-power has not been developed? Perhaps my hon. friend can tell me of one, but I do not know of any river of any size there that has not its development. Let us take, for example the development on lake Erie. There are the developments on the Severn, the Beaver, the Saugeen and the Grand rivers. Does my hon. friend know any others? If we consider the Niagara, we have our development there in such a position that next year it will be exhausted. At least that is the information we get and I do not think my hon. friend will deny it. On coming to lake Ontario, can my hon. friend point to any streams of any size that have not been harnessed? It is true we may have a few more water-powers up the Trent river in connection with the canal, but they do not amount to much, as I think my hon. friend would be one of the first to admit. The real truth is that, with two exceptions, central and eastern Ontario are without potential power supplies. The same also applies to the biggest industrial section of Quebec, namely, the Montreal district. Those two exceptions are the St. Lawrence and the Ottawa, with its tributaries, these and nothing else. Do not let us think we have power to throw away. We have not. As I have said, I do not think anyone can speak more clearly on the question than Sir Adam Beck. This is something he said in connection with his emphatic protest against the export of power, having particular regard to the Carillon proposal:

> On other occasions I have drawn attention to the fact that the citizens of Ontario are now facing a most serious power shortage. Its gravity can scarcely be overstated. Within the short period of fifteen years Ontario will need every horse-power that can be developed from its water powers and the markets will absorb this power as rapidly as it can be produced. The available Niagara power supply is being utilized as rapidly as the necessary equipment can be installed and, under present allotments of water, all available Niagara power will be utilized in 1926.
>
> In eastern Ontario the need of greater supplies of electrical energy is even more urgent.

He goes on to say:

> It may be recalled how, in 1911, the Hydro-Electric Power Commission sought to relieve this shortage through the contract it made with the New York and Ontario Power Company for the delivery of 15,000 horse-power from the St. Lawrence river. The commission's efforts, however, were blocked through the refusal of the Dominion authorities to grant permission for the necessary transmission lines to cross the government canal. Action by the commission in negotiating with the New York and Ontario Power Company—a company in the state of New York—was not due to insufficiency in the amount of power developed in the district from Canadian water-powers but to the fact that the power locally available was controlled by a foreign company.

[Sir Henry Drayton.]

Further on he says:

> These transmission lines pass in Canada through territory bordering the St. Lawrence river that, industrially, is starved,—80,000 horse-power could supply a hundred or more of the smaller communities of Ontario.

Mr. GRAHAM: I do not want to interrupt my hon. friend but I should like to ask him this question. If the state of New York and the United States had taken the attitude embodied in this resolution would it have been possible for us to have got power from the United States? This power is all across the line.

Sir HENRY DRAYTON: We were trying to get power, but it would have been only a small moiety of what we are giving. We tried to get it but did not. He continues:

> It was only after very considerable effort and after overcoming many difficulties that the Hydro-Electric Power Commission was able to effect an arrangement with the foreign company controlling the Canadian exported power, whereby the commission could obtain a maximum supply of but 5,000 horse-power of firm power, with an additional 2,500 horse-power under certain optional limitations. Such quantities are insignificant as contrasted with present and future needs. Only recently the commission received an application from the city of Ottawa for an additional supply of 20,000 horse-power of electrical energy to commence in 1928. The logical and only available sources of supply for such demands are the Ottawa and St. Lawrence rivers.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

Sir HENRY DRAYTON: Mr. Speaker, at the time of adjournment I was talking about the electrical power shortage in Ontario, and I had been referring quite extensively to Sir Adam Beck. I might say, Mr. Chairman, that I make any references to that gentleman with a great deal of confidence. He has devoted his life and broken down his health in the struggle to insure cheap and plentiful hydro-electric power to the people of his province, and I think that the protest he has made on this particular occasion is but a further evidence of his public spirit. No one can very well doubt Sir Adam Beck's testimony not only having regard to the man himself, but also to the facts. No one can be so foolish as to suggest that there is not a real shortage of power when at the present moment an appropriation of ten million dollars is being made for the purpose of generating power by steam in a province that ought to have access to these powers and the benefit of their full and complete development. Why Mr. Speaker, we have heard statements made by hon. gentle-

men particularly interested in the district of Carillon with respect to the necessity of work being provided for the people in the locality. I would point out to the House that last year an application was made by the Ontario Hydro-Electric Power Commission for leave to develop this very Carillon site—not for the purpose of exportation, but for the benefit of Canadian consumers. So far that application simply stands.

In this particular case we have not only a common interest, but a declared common interest between the central provinces—Ontario and Quebec. Their protests against the exportation of this power are united, and are voiced by those best entitled to speak—by the premier of each province and by those interested in the production of electricity, the power companies on the one hand in Quebec and Sir Adam Beck on the other hand in Ontario—all taking a common Canadian stand. Their interests are indeed common. For example, both provinces are directly interested in the production of paper. Neither province can make any success in that production without cheap and plentiful power. In order to turn out one ton of paper every twenty-four hours a supply of 100 horse-power of electricity is needed; and none of us think that the development of our wood pulp resources is at an end. Yes, our interests are common. The metallurgical mines of Ontario require a good deal of electricity in their development. Those well posted say that the mining development of Ontario has only commenced, yet with that commencement to-day we are using 125,000 horse-power. Quebec has similar opportunities, she is expecting to rival Ontario's mining development and will require a great deal of electrical energy for the purpose. Indeed, without electrical power we might just as well abandon any thought of the successful exploitation of our northern mines. To get coal up there on the present scale of costs and freight rates would be absolutely prohibitive and would effectively retard the development of any but the very richest deposits. I repeat, both provinces are united in their protests. Those protests surely are well founded; their interests are in jeopardy. The door should be locked and bolted, and then doubly locked and bolted again to prevent the exportation of this precious Carillon water-power.

There is a great deal behind this Carillon proposition. Early in 1923 the associated industries of New England took up the question of their power resources and the possibility of getting power. A committee was appointed, expert engineers were engaged, and the work put in hand. A very excellent report was got in 1924, a report which covers pretty fully all the water-powers of Quebec and the remaining water-powers of Ontario, because that investigating committee very wisely thought the only water-powers that Ontario had left were the water-powers of the St. Lawrence, and of the Ottawa and its tributaries. Yes, Mr. Speaker, we have got within this report our water-powers catalogued up to a distance of some 475 miles. There is a great deal behind this application. If this 400,000 horse-power by any unfortunate action gets across the line, there will be an annual saving in New England territory of approximately $4,500,000. The prize is great, and the efforts are strong, and they are still going on; they are going on notwithstanding everything that took place in the House on this question not so very long ago. Why, it is only last week that the bonds of the old company were purchased, and so far as I can find out, were purchased at a slight premium, at 102, I think, but I am not definite on that point. But the bonds were purchased, and the pressure still goes on. Those behind the movement still think they have such arguments as yet undisclosed as will enable them to force the hand of the government.

I referred to this report. It is an interesting report. It is very interesting in that it shows us what a great asset we have in connection with our water-powers. It shows us again what a tremendously important thing electricity is, what a tremendous development there is for electricity, even in territory like the territory of the New England states, where but a very small percentage of the electricity produced is produced from water, where practically all the electricity is produced by fuel-burning plants.

There is confirmation in this report of what has been said on the question of the water-powers that are still available, those little powers here and there which in the total amount to a tremendous quantity, if you like, but which are non-existent for practical purposes. I commend this report to the very careful study of the government. If they study it, and really appreciate it, there will be no more export of electricity from Canada.

This report points out at page 99 how very small the power is which New England obtains, or can obtain, from her own water-powers, as compared with her demands, which are met by fuel-burning plants, and proceeds as follows:

> The greater part of the undeveloped water power in New England must wait for the growth of local demand

for power because in most cases the cost of development would be too great to justify the added cost of transmission to different centres of demand. Even if the local restrictions on the taking of power from Maine were removed,—

I might interject here that Maine has an absolute embargo on the exportation of power from that state to any other state:

—the high cost of development and transmission would prevent the exportation of a large proportion of this power.

That is just exactly the position of a very large number of the water-powers to which reference has been made by hon. gentlemen who were mistaken enough to justify in this House the exportation of Carillon power, powers which they referred to as powers to which Canada can look for her future supply. The New England states are not so foolish as to think that powers of such a character are of any practical and immediate use whatever.

The report, after dealing with their own local powers, proceeds to deal with the Canadian situation, and there is a map in here which I would again draw to the government's attention, map No. 17, which illustrates the Canadian situation. It shows the available water-powers. They show the available water-powers in Ontario, those in the St. Lawrence, and the Ottawa, with its tributaries. They throw the St. Lawrence to one side on account of international difficulties and delays, and Carillon is shown as being the most convenient power for them. Carillon is credited on this map with an available development of 220,000 horse-power, or 440,000 horse-power, at 50 per cent load factor. Eight other power sites on the Ottawa or its tributaries, the Gatineau and the Lievre, are shown up to a distance from Boston of 475 miles as also available, as well a the sites on the St. Frances, the St. Maurice and the Saguenay rivers.

This report, the government will be interested in knowing, recommends the commencement of the utilization of Canadian water-power for the purpose of the New England states, recommends commencing with power derived from the smaller sites on the Ottawa, St. Maurice and Saugenay rivers, that is smaller as compared to the larger sites on the St. Lawrence, which is tied up for the present.

The report also is very interesting in showing just what can be done with power, and where power would go to. It is interesting also as showing how important electricity is, and how much is used notwithstanding the high cost of coal. Why, Mr. Speaker, the delivered cost to the consumers on the average there is 3.4 cents per kilowatt hour.

[Sir Henry Drayton.]

Mr. STEWART (Argenteuil): That is electricity developed from coal?

Sir HENRY DRAYTON: Yes. my hon. friend will realize that is a very high rate. He will also find from this report that that is produced from coal at $8 per ton.

The report also points out, just as showing the growth and importance of this development, that the output of the central station power plants in the New England states in 1915 was 2,058,220,000 K.W.H., but in 1923 the estimate was 4,200,000,000 K.W.H. There is a great industrial development and a great deal of electrical power used in those states outside the central power stations, and in order to get a true picture we have to add the power produced at the industrial plants to the power produced at the central power plants. Adding those figures the total produced in 1915 was 6,798,000,000 K.W.H. In 1923, the estimated production was 8,000,000,000 K.W.H. The government will find that reference at page 72 of the report. There is another thing that is very significant in connection with the report: It is an industrial report. It is a report by which this investigation is going into the question of seeing—as every true American ought to—just what is the best thing that could be done for his territory, just how he can get the cheapest power, just how he can do everything to retain business in the New England states as against the competition from the southern states with cheaper labour. The report makes a very good survey of the whole situation, and gives the growth of the installed horse-power in different industries. I would refer the government to plate number 5, at page 47, which gives the total reported horse-power installation capacity in the New England textile industries in which so many of our French Canadian friends are now working. In 1900 the installed horse-power was 600,000, and in 1922 it was 1,250,000. There we have the industry doubled, and a little more than doubled, in that time. Hon. gentlemen have an idea that we practically have a monopoly of the production of paper. Well, we might practically have one; but with cheap Canadian raw material the paper mills of the New England states do pretty well. How much better they would do if this attempt to harness Carillon power in their interest had been successful, and they also had cheap Canadian power. As it is, New England's output for 1922 was 6,228 tons of paper, 5,160 tons of pulp, and 1,555 tons of paper board, and so on. Oh yes, cheap Canadian power would be

of immense benefit to this particular interest. The figures I have given form its daily output. The requirements of the boot and shoe industry, of rubber goods, leather, and other industries are also set out—all the different activities in which when we are functioning here, our co-patriots from Quebec can work at home, and when they are not functioning here in which they work on the other side of the line. The details of these industries are all set out, and the government will find this information very interesting reading. They will find a very interesting calculation also. They will find that plate 18, page 132, furnishes a very interesting table in connection with population. It is rather an amazing table. If there are any people who cannot fairly be charged with race suicide, one would think it is our people of Quebec attached as they are to home and family. They have one of the best birth rates, if not the best, in the world; their birth rate is infinitely higher than the birth rate of the New England states.

An hon. MEMBER: Hear, hear.

Sir HENRY DRAYTON: An hon. gentleman says "hear, hear." He is right. But let us look at the sad picture painted, not as has been said from government benches from time to time by a politician out of office, but by an outside observer seeing to serve his own country and telling the truth as he sees it.

An hon. MEMBER: Louder.

Sir HENRY DRAYTON: Well the figures will be loud enough I should think for anyone having the slightest interest at least in the province of Quebec. With respect to the figures I have to give there is a map made, and the curve is drawn on it. It is plate 18 which compares the growth of population in the province of Quebec with the growth of population in southern industrial New England. It compares Quebec with the states of Massachusetts, Connecticut and Rhode Island. By these investigators the population of Quebec in 1855 is given as 1,400,000. These figures are taken from the plate referred to. They may be approximations, but they are practically correct. Hon. gentlemen will understand what I mean by that is, that when you are reading from a map it is rather hard to scale the figures exactly. However, they are approximately correct. In 1920 the population of Quebec is given as approximately 2,325,000, an increase of 66.07 per cent. As against these figures these industrial states—where there is a comparatively low birth rate percentage as compared with Quebec—had in 1885 a population of 3,000,000, and in 1920 a population of over 5,800,000, an increase of 93.33 per cent. Is there any question as to what the building up of the industries immediately to the south of Quebec is doing to that province? Is any hon. gentleman really serious when he suggests that the energy developed from the water-powers of Quebec should be exported for the purpose of strengthening the lure that is already so strong? These figures down to 1920 are bad enough, but the situation which they present is nothing to the situation as it is to-day. Hon. gentlemen know that the exodus which the figures indicate has been multiplied since; our own figures show it. And yet there is a proposition here that something ought to be done which will enable the industry to the south to work still cheaper than the industry to the north and attract still more of our people. Those who support the idea of an exportation of power to-day are not content with seeing our pulpwood and other raw material taken out of this country; they also want to fortify that exportation with the exportation of the one thing in which the Canadian still has an advantage.

Mr. ETHIER: What about the combine?

Sir HENRY DRAYTON: My hon. friend talks about combine. Combine has nothing to do with it. An application has been sent to the government, but not acted upon, under which that power would be developed for the benefit of the people in the district of the valley. My hon. friend is against it. He is in favour of this proposition which takes away from the people of this country power which is urgently needed.

Mr. ETHIER: Not at all.

Sir HENRY DRAYTON: My hon. friend says not at all. If he had been here this afternoon he would have heard the admission from the Minister of Railways (Mr. Graham) that eastern Ontario never had a proper supply of power. We all know that eastern Ontario has been beggared in her industrial development. Does my hon. friend rejoice in that fact? We also know that an application for development is on file, and that the Ontario commission will proceed to-morrow, if they get a chance, with the development of the Carillon power, just so that eastern Canada can live, so that the people in eastern Ontario may perhaps, as they ought to, enjoy power as has western Ontario. There is great danger, Mr. Speaker, that irreparable injury may be done to Canada unless in some way or another we

are protected. I look upon this resolution as something in the best interests of the government, and I am absolutely sincere when I say that. This campaign is no new thing and it has been going on, not for weeks, but for months. Indeed it is a matter of years and it is ready now. Here is the report and here is the market, and there are the bankers, the great financial house in Boston of Harris, Forbes & Co; interested as they are in maintaining the commercial interests of the industries of the New England states. There is something ahead. There is $4,500,000 to be saved if this thing can be got and taken away at the expense of Canada. It is in the very best interests of the government that this resolution be adopted, and that this pressure should be removed from them. This pressure is all the more dangerous, if the Prime Minister knows nothing about it, although it goes on for a length of time. It has been going on now for a long time—these revised drafts, bearing on their faces the evidence of careful preparation. It is absolutely in the interests of the government and everybody else that the resolution should pass as it stands. It is in the interests of Canada that this question should be settled. I hope the government will take this resolution in the spirit in which it is offered. It is not intended as a want of confidence motion, but they can turn it into that if they so desire. We in Ontario as well as our friends in Quebec are deeply interested in this question. We want to see Canada left with a plentiful supply of electric power for the development of her natural resources, for the development of our paper and pulp industry and for a greater development of the yet unknown Eldorado of the north in both of these provinces, which is only possible with cheap and plentiful power. I therefore support the motion, Mr. Speaker.

Mr. PIUS MICHAUD (Restigouche and Madawaska): I have listened attentively to the discussion of this important subject for many hours, and I must say, Mr. Speaker, that I cannot understand the attitude of my hon. friends to your left. I do not know what shivers have taken hold of them in the past two years. They seem to be embarrassed on account of the extra powers we may develop in this country in connection with our hydro-electric. In all the provinces of the Dominion we have power to develop, and no doubt in many provinces there will be a surplus of power that should be sold somewhere outside of our own country. For instance, we are developing our natural resources in many provinces as well as we possibly can. I ask my hon. friends from the prairie provinces; if they had no market for their produce outside of Canada, what would they do with the extra quantity of wheat that they produce? The same thing applies to the electric power development of this country. The Minister of Railways (Mr. Graham) has spoken very openly and clearly on the subject, and I have listened to him with great attention. He has alluded to the province of New Brunswick as did the hon. member for York-Sunbury (Mr. Hanson), and I wish to speak in reference to the latter province. In that province we have one of the largest water-powers of the Maritime provinces. Its development is required in order that our province should go ahead. Recently application for the development of the Grand falls was made to the province of New Brunswick, and a meeting was held in Montreal last Friday and Saturday in connection with this matter. I hold in my hand the Gazette, published in Montreal, in which appears a report of the decision at the meeting of the International Joint Commission. The report reads as follows:

The chairman, C. A. Magrath, entrusted to Sir William Hearst the task of issuing a statement.

Here is the statement:

The commission has granted an order of approval of the plans submitted by the Hydro-Electric Power Commission of New Brunswick for the development of power at Grand Falls, N.B., subject to a number of terms and conditions with reference to the compensation of all parties—

I might say en passant, that this is in connection with the shore rights along the St. John river. The report proceeds:

—sustaining damages, or whose property has been in any way taken or injured in connection with the development.

The United States claimed at first that they had a sovereign right in connection with this development on account of their international situation. After a long debate and after the argument made by the attorney representing Canada at that last meeting the United States gave up the idea of their sovereign rights, and in order to show that they had no rights at all the Canadian attorney established and proved to the representative of the United States that as soon as the shore rights on the American side were purchased by the New Brunswick Hydro Electric Commission the United States would no longer have any right in connection with this development.

In order to show the House that the Americans have no longer any rights, I may say that they have asked, not as a compensation, not under their sovereign right, but just as a compromise, that the New Brunswick Electric Company should sell them 2,000 horse-power

and they would pay for it just the same amount as would be paid by a Canadian consumer. The 2,000 horse-power does not represent the rights of the Americans as far as the international boundary is concerned. The international boundary on each side of the river covers a distance of seventy miles. The Americans are claiming only 2,000 horse-power, whereas we are going to develop between 50,000 and 75,000 horse-power. They do not claim even one-fifth of their rights according to the agreement which I have just read. This water-power is developed on Canadian soil entirely, and according to the engineers the dam that will be built will allow the water to flow back for a distance of only fourteen miles, that is fourteen miles out of a distance of seventy miles as far as the international boundary is concerned. Our American friends are willing and ready to give us what we are entitled to. In order to make this development a success, while a certain quantity of this power will be needed to fill our requirements at home, we feel that we are going to develop more than we need at home, and for that reason we want to have the power, not under the Dominion government, but under our provincial rights, to sell outside the extra power that we shall have on hand.

Therefore, I would suggest that it would be very apropos for the House to arrive at this conclusion, that the export of hydro-electric power from Canada should be permitted only on yearly license, and that hereafter no license for export of power beyond that already granted should be issued except with the concurrence of the province or provinces in which it is proposed to develop such power. That means that no power should be exported out of any province by the Dominion without the consent of the province where the power is developed. Let me appeal to my hon. friends from the west. They are just about to develop their provincial water-powers, and I remember not very long ago in the Railway committee seeing on two occasions moving pictures showing the great water-powers about to be developed in Manitoba, Alberta and British Columbia. I ask my hon. friends from the west: When you start to develop your power and you have a surplus after providing for all your industries, farmers, merchants and the rest of your inhabitants, what are you going to do with your surplus? Are you going to be allowed to keep that at home without deriving any revenue from it? Are you going to let the government say: No, we will not allow you to export any of that power? You want to control that privilege. As long as a province has the right to export its own power, there is no danger of its going too far in that direction.

Mr. GARLAND (Bow River): Who is giving the provinces this right?

Mr. MICHAUD: They have the right actually to develop their own power.

Mr. GARLAND (Bow River): But to refuse to export it?

Mr. MICHAUD: If the proposition of the hon. member for West Lambton (Mr. LeSueur) passes in this House, no power will be allowed to be exported according to the laws of the Dominion of Canada. If I understand his proposition rightly, he is going to stop any further exportation of hydro-electric power from this Dominion into the United States or anywhere else. My contention is that we should not allow the Dominion to control our provincial rights in that regard. The little province of New Brunswick is entering upon a large expenditure in order to develop a water-power which is one of the biggest in the Maritime provinces, and it would be unfortunate for us, after having incurred so much expense, if we were to be deprived of our rights. Already we have spent a great deal of money, already we are about to issue bonds, and if this resolution carries New Brunswick will be prevented from going on with this development and from issuing its bonds, because none of our financial companies will dare to advance us any money when the Dominion government is to control our rights and privileges. I hope I have made myself clear. If this proposition goes through, it means that my province will no longer be able to develop this great water-power. It means that all our ambitions, our undertakings, will come to nothing, and I shall be one of those who will be very sorry to know to-night, after this vote, that our provincial rights have been taken away from us at the request of my hon. friends to your left.

Mr. HERBERT MARLER (St. Lawrence-St. George): Mr. Speaker, what I have to say apropos of this resolution may be said in a very few words. I regret I was not present to hear all the remarks which the hon. member for West Lambton (Mr. LeSueur) made on this subject. I am sure in this case he, in his usual fashion, placed this proposal before the House in an extremely clear and fair manner. I have, however, heard the greater part of the other discussion which has taken place relative to this matter. No one can deny for a

moment that our water-powers are one of the great natural resources of Canada. It does not need any very vivid stretch of the imagination to realize that some day we shall likely require for use in Canada substantially all the water-powers which we have developed and undeveloped at the present time. But being one of the great natural resources of this Dominion, those water-powers which are undeveloped now should be utilized either in the development of Canada or for such purposes otherwise in the sole interest of Canada itself. In other words, although I believe the water-powers undeveloped at the present time will eventually be needed for use in Canada alone, and for that reason it seems it would be an extremely unwise thing to export any of that power whatsoever, yet at the same time it does not seem to me entirely wise or in the greatest interest of Canada immediately to shut the door and say that we shall never at any time export any of those water-powers, because the occasion might arise—and we do not know when it might arise; we cannot even say whether it ever will arise—when it might become vitally necessary, in the interest of this country for bargaining purposes or for other reasons, to utilize certain of these water-powers in procuring some other greater advantage for Canada. It seems to me therefore unwise for us in this House to-day to shut the door definitely and absolutely for all time and say that we shall never export water power.

My hon. friend from West York this evening has emphasized the various necessities for the water-powers of the Dominion. He has read extracts from various reports and has placed the situation before the House in a very lucid and fair manner. But I do not think that there are many of us who needed to be told all that that hon. gentleman has told us. We realize all these facts to the full. We realize on this side of the House just as much and indeed more than hon. gentlemen realize opposite the great importance of doing everything possible to develop this country to its very fullest extent; and I do not think that hon. gentlemen opposite can point to us and say that we do not desire to preserve for use in the development of the Dominion our water powers or any other natural resources which are in the country. The preservation and use of our natural resources has at all times to this government been a matter of the greatest concern, and I have no reason to believe that this policy will be departed from in any respect so far as our water-powers are concerned. It is true that there are a number of undeveloped water powers in this country and in this vicinity. In the Ottawa valley there is undeveloped water-power to the extent of at least 350,000 horse-power; while on the Rouge river there is power to the extent of over 20,000 horse-power, on the Nation over 20,000 horse-power, on the Lievre over 80,000, and on the Gatineau over 150,000 horse-power, all undeveloped. The casual observer might ask, what is the use in allowing all this water-power to go to waste? I do not follow that theory at all. I have no hesitation in declaring that I am not in favour of the export of water-power except in the case of some actual necessity which is shown to be of distinct benefit and advantage to this country, nor am I in favour on the other hand of absolutely closing the door forever against such export, and taking the stand that we should never under any circumstances permit the export of water-power.

Mr. MEIGHEN: If parliament closes the door cannot parliament open it again, should the contingency ever arise?

Mr. MARLER: Parliament is expressing an opinion at the present time, and there is no occasion so far as I can see for parliament to come to any other decision than that our water-powers should be used for the general advantage of the nation. I see no reason why we should at the present time irrevocably decide against the export of water-power at any time should it be deemed advisable but at the same time I say definitely that at the moment I would close the door not only against the export of water-power on a one year lease, as is contemplated by this resolution, but also against the export of off-peak power. There is no reason before the House or the country just now why we should export any power at all, whether it be off-peak or otherwise.

9 p.m.

My hon. friend for Restigouche and Madawaska (Mr. Michaud), properly placed before the House very largely the same opinion I had intended stating myself. The export of power, I take it, is governed by the federal laws, while the utilization of that power is governed largely if not entirely by the respective provinces. In other words, the Dominion exercises in this matter, as it does in regard to many other matters, a general supervision, while the provinces exercise a specific supervision over such matters as come particularly witihin their own purview or within their borders.

Mr. HANSON: Does the hon. gentleman suggest that the provinces have any constitutional power with respect to the export of water-power?

Mr. MARLER: I am not suggesting that. I shall be glad if the hon. member will correct me; but as I understand the law, the export of water-power is not within the jurisdiction of the provinces, even if in any case that power is entirely within the province, without the consent of the Dominion. That is the law on the subject. I was proceeding to say that while the Dominion exercises a general supervision over the export of power, yet the provinces themselves control the question as to what shall be developed within their own borders—what their specific requirements may be,—whether or not the industries which require development should be assisted, and in the same way whether it is in their interest to develop water-powers, to refuse export or to export.

The views of my own province on this subject are well known in this House, and I adhere to those views. Without any hesitation whatever I say that so far as the province of Quebec is concerned the attitude is that water-power should not be exported; and I am in accord with the government of that province in that regard. But I do not agree with the terms of this resolution, that there should be no export of water-power except as regards off-peak power. I go further than that and say that without the consent of the province, wherein there may be any development, no water-power whatsoever should be exported. I do not think that anything could be clearer than that; I do not think that any opinion could be more honestly expressed in this House than the attitude I have stated on my own account as to whether power should be exported or not. Exportation does not rest with the province as a matter of law, although it may be a question of expediency with the province as to whether or not a certain thing should be done in the interests of that province. A grave question must be faced in connection with many inter-provincial water-powers, and that is as to whether one particular province or another owns a certain water-power. And that urges me to express the view that it is for the provinces to act in co-operation with the government of the Dominion and vice versa with a view to deciding whether it is wise or not in any given case to export water-power. When such a question comes up for consideration, then I think is the proper time for a decision to be reached in a matter of this description.

Hon. J. B. M. BAXTER (St. John City and Counties of St. John and Albert): Mr. Speaker, I should be sorry if anything in this debate would misrepresent the attitude of the province of New Brunswick with regard to water-power development. It is true, as my hon. friend from Restigouche and Madawaska (Mr. Michaud) was saying, that the province is about to embark upon a very large expenditure for this purpose. I do not think that the people of New Brunswick wish to add very largely to their capital debt merely for the purpose of getting back a bare return upon the outlay by the sale of power to a foreign country for the upbuilding of industries there rather than within the limits of the province itself. I think New Brunswick can be described as a unit in desiring the fullest and most extensive development of water-power within its limits for which a market can be found. Now, what must that market be? The development of our wood resources principally, to a minor extent the application of electricity to farm purposes, and incidentally, of course, the lighting of cities, towns and villages. The export of power from New Brunswick would mean that for every unit exported a precisely similar development would be sustained in the state of Maine in competition with the development of our own natural resources. No New Brunswicker can want that. What we do want is this development within our own territory. It is the one opportunity that we have. I feel that the people of New Brunswick will stand by me in regretting any suggestion that we are simply going into the development of water-power for the purpose of exporting it and building up a foreign country at the expense of our own resources.

Now, I have no fear that this amendment in any way touches the situation of New Brunswick. It does not. As my hon. friend from Restigouche and Madawaska has explained, the International Joint Commission has approved of an arrangement which has been made. They declined, and I am very sorry that they declined, to enter into a discussion and ultimate decision of the question as to whether or not the state of Maine had any right to demand a portion of this power. As a matter of fact it is not really the international boundary that is in question; there are very large areas of the watershed within the state of Maine, without the utilization of which it would be impossible to develop the project at Grand Falls to its ultimate capacity. The province of New Brunswick has no right to go into the state of Maine and demand to be allowed to place dams there and pen back that water; and the state of Maine, in my judgment, has no right to say that the consideration for so doing shall be the sharing of the power. But the action

of the International Joint Commission has virtually treated it as such, and I notice that an arrangement has been completed for the export of about 2,000 horse-power to the state of Maine, which has accepted this as an equivalent to what it claims as its proportion. It bases that not at all on the figures given by my hon. friend, but on the view that it would be entitled to one-sixteenth of the power produced, which it estimates at about 50,000 horse-power. An arrangement has been made that a certain concern in the state of Maine shall receive this 2,000 horse-power annually.

The International Joint Commission having approved of that arrangement, we must remember that the commission acts entirely under a treaty to which this country, as part of the empire, is a party. It has the force and effect that all treaties have by section 132 of the British North America Act, which provides that:

> 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.

Therefore the 2,000 horse-power that will go out under this arrangement from the province of New Brunswick will go out not as an export controllable by this parliament, but as a fulfilment of a decision or as approval by a body which has sovereignty in the matter, that is the International Joint Commission, based upon a treaty, which treaty must be supported by any legislation that is necessary, and that legislation must be enacted by this parliament. We are obligated by the British North America Act to do it. So if legislation to the fullest extent were to be based upon this amendment, it would not affect the arrangement that has been made with regard to New Brunswick, or any other arrangement which would be imposed as part of a bargain approved by the International Joint Commission.

Further than that I do not feel any special interest in the question, except on the general ground that what we can utilize for our own development should be utilized here and not sent out of the country to compete with us. It is no way to build up our own country. Hon. gentlemen may view the matter in any way they like, but it is morally impossible to continue the practice of export over a long series of years and then deny the people who have been getting the benefit of the exported power the right to continue it. It is all very well to say that they understand you will put an end to it. It is not the way that one decent neighbour would act towards another decent neighbour who had done him no harm, and countries must be controlled by the same principles that would apply to citizens. Therefore before any power is exported and rights to it acquired, it is only fair I think for us to say to our neighbour, "Look here, we are going to need all this for ourselves, and we are not going to increase the quantity that you now get." That is the principle we should apply. But every man within hearing of my voice, every man who is interested in the question, knows there is something more immediate, something more insistent than that. We know that it is only by the advocacy of this principle at this time that a willing government is being rendered afraid to take a step which will be disastrous to Canada.

Mr. T. L. CHURCH (North Toronto): Mr. Chairman, coming from the province of Ontario, the pioneer province in hydro-electric development, I believe the motion does not go far enough, for I am absolutely opposed to the export of power, as is the Ontario government. As a result of the shortage of power, 375 municipalities of Ontario sent representatives to a meeting in Toronto, and after discussing the matter thoroughly they passed a resolution pointing out the vital necessity of preserving all our water-powers for the development of the Dominion. The most important problem before the people of Canada to-day is the problem of cheap light and power, because this great boon is not intended solely for the benefit of the urban centres, but for the benefit also of the rural districts. The province of Ontario has set an example to the other provinces of what can be done in the development of our water-powers for the benefit of the people. Starting in 1910 with the distribution of one thousand horse-power supplied to a few municipalities, by 1915 the movement had increased to such an extent that 100,000 horse-power was required to meet the demands of the many municipalities that were taking advantage of cheap light and power, five years later the Hydro Electric Commission was generating 350,000 horse-power, and to-day they are maintaining a connected load of 760,000 horse-power. On behalf of these municipalities in Ontario I wish to protest against any policy of the further export of power. To-day we are exporting 156,000 horse-power, which is the equivalent of 1,300,000 tons of black coal, of a commercial value of $8,000,000. This is taking place at a time when power is needed in Ontario especially in the Ottawa valley and central Ontario, and when some of the larger municipalities

are suffering from a scarcity of power. I say here now that the export of power should stop at its present figure. No more electrical energy should be exported by the people of this country especially when we shall be needing this power ourselves in the next few years. The rate of increase at which we are using and will use electrical power in the next few years is as follows, according to the report of the Department of Mines of the Dominion government:

> Should the rate of installation since 1910 be maintained at its present rate there will be installed in 1925, 4,000,000 horse-power; in 1930, 5,000,000 horse-power; in 1935, 6,000,000 horse-power; and in 1940, 7,000,000 horse-power. These growth figures are considered conservative as the rate of growth since 1920 has been considerably in excess of the rate over the whole period from 1910. Available reserves are more than ample to take care of these future demands, as outlined, for a long time to come.
>
> The water-power now developed in Canada represents an investment of over $687,000,000.

For the 387 municipalities in the province of Ontario who are associated in the hydro electric movement in the province there has been purchased in the past twelve years by the Hydro Electric Power Commission of Ontario 24 distinct water-powers, 30 hydraulic generating plants, and over 60 electrical distribution systems. There has been expended altogether on this development $178,000,000 of the money of the municipalities. The commission now operates electrical power undertakings which, when fully developed, will have a potentiality of over 1,000,000 horsepower. The length of the high-tension transmission lines alone of the commission's great transmission networks aggregates over 3,500 miles. The Queenston-Chippawa power development, utilizing a head of 305 feet on the Niagara river, is the largest individual hydro-electric plant in the world. The total investment in the hydro-electrical undertaking now aggregates over $250,000,000.

This hydro-electric movement in the province of Ontario has been a great boon to the people of the province. It has enabled them to light their streets, to have commercial lighting for the industries of the provinces, and to have electricity for domestic lighting. The work of the housewife has been turned into a joy as the result of this development. Electric cook stoves, electric lighting in place of gas light and coal oil lamps have lightened the work and brightened thousands of workingmen's homes in the province. Every workman's house in Ontario has electricity to-day, and in Ontario the average bill for electric power is about one dollar per month. It is the working classes as well as the manufacturers and farmers who are getting the benefit of this great development. There has been invested in hydro-electric development in the province of Ontario $250,000,000 of the people's money of that province. That is a sample of what other provinces could do if they would conserve the magnificent heritage which the people of this country have in their water-powers.

Let me emphasize that no citizen of Ontario has been taxed for this great undertaking. They pay no direct tax for this great public boon. You have never seen a cent on your tax bill for this development. The money for capital interest and sinking fund is paid by the direct consumers of power. In Toronto alone it has saved the people during the past twelve or fourteen years $31,000,000. If this movement had been under private ownership that $31,000,000 would have gone in dividends to shareholders. There are no dividends in the hydro-electric movement. Power is supplied at cost to the people, and this great boon of cheap electric light and power, which was brought about under the policy of the late Sir James Whitney and Sir Adam Beck, with the co-operation of the municipalities of the province, has been a revelation; it is without a peer in the world to-day. With the exception of the provincial grants towards the construction of rural distribution systems,—and such grants, like those for good roads, agricultural schools, etc, are made in order to promote agriculture—every portion of the cost is fully met in the bills paid by the consumers of the electrical energy, and by them alone. Those who receive the service are the only ones who pay for it, and such payment is made in conformity with a system of charging that permits an annual adjustment with consumers on the basis of power at cost. Electrical energy, once a luxury, has, in Ontario, been so reduced in cost that it has become a common commodity for the service of all. It is the power of the people made usable for the people by the people.

In addition to that, the hydro electric system in the province of Ontario pays taxes on land and building; it pays business taxes; it pays taxes not only to the provincial government, but to the municipalities of the province. Every plant in the province of Ontario to-day is paying not only municipal and provincial taxes, but taxes to the government of this country. Millions of dollars have been paid out by the system in federal revenue taxes, in custom duties on the materials and equipment which have to be brought in from the United States and other countries.

The reduced municipal street lighting service account is saving the municipalities of the province $1,500,000 to $2,000,000 a year, and that saving is being enjoyed by

387 municipalities in the province which received this service at cost.

In western Ontario in 1924 there was an increase over 1923 in the use of hydro-electric power, notwithstanding the depression in business in Ontario. The connected load increased there by 110,000 horse-power in 1924 over 1923 in western Ontario. I am sorry there are not more of my Progressive friends here to-night, because Sir James Whitney intended this boon of cheap light and power for the farmers of the province as well as for the city and town men—the artisans and mechanics. The advantages were to be reciprocal. Just at a time when the Ontario government are bonusing rural lines, the people are asking for more power. It could be got from the St. Lawrence, at Morrisburg, where 800,000 horse-power is now going out to the ocean every year unused, and from the Ottawa river.

Eastern Ontario has been stagnant in business for many years past, and as I said the other day the people of the Ottawa valley have themselves to blame for that. They stayed out in the cold and refused to join the central and western municipalities of the province in this great hydro-electric movement, with the result that they are suffering to-day worse than any other part of the province. The only place they can get power now is from development on the Ottawa and St. Lawrence rivers, and no one can tell the exact extent to which industrial development in the cities and towns along the Ottawa and St. Lawrence rivers has been retarded by this failure to develop and generate cheap electrical hydro-power in eastern Ontario. It is clear that eastern Ontario cannot postpone power development on the St. Lawrence indefinitely.

This afternoon I asked the Minister of Railways what was the policy of the government regarding an application made on behalf of nearly 277 municipalities of Ontario by the Hydro Electric Power Commission for leave to develop power at Morrisburg for the people living in the eastern counties of the province. Many of the cities and towns along the St. Lawrence such as Gananoque and Brockville, are stagnant to-day. The population of some of these municipalities is decreasing, and it is impossible for industries, for want of power, to locate in these places. The same is true of communities in the Ottawa valley. The reason is because no adequate supply of cheap light, heat or power has been developed and made available for them. I believe in a national policy throughout the country not only with respect to hydraulic power but also as regards coal and oil. These magnificent water-powers which Canada possesses, and which are capable of developing all told 18,000,000 horse-power, should be retained by the people of Canada under a national policy which would be directed towards the industrial and agricultural advancement of the country. The power capable of being developed at cost should be under some system of direct public control and should not be exported for any reason whatever. I may say that for four succeeding sessions now I have advocated such a national policy not only for coal and oil, but for water-power, for native raw materials and for the products of the sea, the soil, the forest and the mine as well. I believe that is the only policy that will prove satisfactory to the people and that will be successful in building up this country. The Niagara, Ottawa and St. Lawrence rivers provide the only sources of light, heat and power that Ontario has left. The original contract with the Ontario Power Company was for only 1,000 horse-power. The small initial load of less than 1,000 horse-power increased rapidly until in 1914 it was 77,000 horse-power, and by 1915 the commission reached the limit of its contract with the Ontario Power Company for 100,000 horse-power. The commission arranged for an additional power supply from the Canadian Niagara Power Company of 50,000 horse-power and from the Toronto Power Company of over 25,000 horse-power. Subsequently, in August, 1917, it purchased outright the Ontario Power Company with its plant capacity of 160,000 horse-power, which was increased to 180,000 horse-power in 1919, and, in December, 1920, acquired the Toronto Power Company, with its plant of over 125,000 horse-power capacity. In 1920 the load was 356,000 horse-power. The new Queenston-Chippawa development provides for an ultimate development of 600,000 horse-power. There is possible to-day a development of 700,000 horse-power under the plans of the Hydro Electric Commission. At the present time the commission is operating twenty separate developments which have a potentiality of over a million horse-power.

The people of the province of Ontario are watching what is taking place. They are watching the federal government and the provincial government to see what the outcome of their policy is going to be in connection with the development of hydro-electric power. They want to see who it is that has been retarding the development of power not only in eastern Ontario but in the western part of the province as well. Nothing is more calculated to carry out that most desired move-

ment to keep the farmer on the farm than the provision of cheap light, heat and power. In many parts of the province of Ontario the farmer is to-day getting these conveniences owing to the policy which was inaugurated by the late Sir James P. Whitney. This policy is being carried out in the face of considerable opposition. I do not know anybody who did more to retard the growth of this movement in the province of Ontario than did the Hon. E. C. Drury during the four years of his administration, and in this he was aided and abetted by the commission appointed to inquire into the work of the Hydro Electric Commission and in effect to destroy the whole movement. The people got rid of this anti-hydro government.

A large amount of capital has been invested in "hydro" undertakings by the following systems: Niagara, Essex county, Thorold, Severn, Eugenia, Wasdells, Muskoka, St. Lawrence, Rideau, Thunder Bay, Ottawa, Central Ontario and Trent, and Nipissing. A total of $178,960,696, has been invested in the foregoing systems. To this must be added $62,892,504, invested in municipalitie's distributing systems and other assets. The revenue obtained from the consumers during the year 1923 was more than sufficient to meet the full cost of generating and transmitting power, and to provide for all operating expenses and fixed charges of municipal utility plants. The commission collected from the municipal utilities and other customers for power sold a total sum of $15,742,831 which was appropriated to meet the expenses of administration and operation, and to set aside adequate sums in respect of sinking fund, renewals and contingencies, leaving a net balance of $345,588, collected in excess of requirements, which sum was returned to the municipalities and applied to the reduction of their power bills for the year. The total revenue collected by the municipalities amounted to $17,219,044, the cost of power was $8,699,026, the cost of operation, maintenance and administration was $3,901,739, the debenture charges and interest $2,607,741, and depreciation $916,782, this gives $16,125,291 to be deducted from a total revenue of $17,219,044, leaving a surplus for the year of $1,093,753.

Throughout "hydro" municipalities the use of electrical appliances is greatly promoted by the low cost of electricity. In most of these municipalities the average family may take full advantage of the cleanliness, convenience and safety of electric lighting for less than $1 per month; while, for a small additional cost, electric fans, irons, washing machines, vacuum cleaners, toasters and certain light cooking appliances may be utilized. Cooking by electricity is rapidly becoming popular.

The difficulties of electrification of country districts are universally recognized. Generally speaking, from the viewpoint of the central station, this class of consumer is unprofitable. Only a small return can be secured on any capital invested. The operating costs, due to the distances to be covered, are excessive. The load per mile of distribution is small—compare, for example, the number of services connected in a mile of city streets and along a mile of rural line.

In spite of the handicaps inherent in rural distribution of electrical energy, the Hydro-Electric Power Commission has made substantial progress in this department of its activities. Its first rural lines were built late in 1912, but in 1917, the construction of rural lines was suspended, due to the high costs resulting from war conditions.

The Ontario government, having long recognized the benefits of hydro-electrical energy, to the agricultural industry of the province, passed, in 1921, legislation authorizing the bonusing, up to 50 per cent of their cost, of rural primary lines on highways throughout the province; in 1924, further legislation authorizing the similar bonusing of rural secondary lines was enacted. Under existing legislation the government of the province of Ontario now pays 50 per cent of the cost of all construction of rural lines in connection with the distribution of power to rural communities throughout the province.

The total mileage of rural lines at present operated by the commission is 858 miles, giving electrical service to about 14,000 customers. If the farmers of the province of Ontario bestir themselves and do what they can to save these water-powers they can save 60,000 horse-power. Under the Ontario Power Company's contract which the Hydro-Electric assumed when they bought the system some few years ago 60,000 is being exported to the States to-day. It goes over the transmission lines at Lewiston and is handed over to the Niagara and Lockport Company. That company distributes power at points in the Lewiston-Niagara district on the American side through to Tonawanda and on to Lockport, in New York state lighting up the streets of these municipalities. This large quantity of 60,000 horse-power serves for the domestic and commercial lighting of municipalities on the American side. The commission to-day is burdened with that contract of 60,000 horse-power exported at an amount of $12.35 per horse-power and at a loss of $12 per

horse-power. That contract has twenty-five years yet to run. It had three twenty-year renewal terms, but that provision has been abrogated by the government of the province. I maintain that we should stop this exportation and go no further; otherwise we shall not have sufficient power to supply our own towns, cities and rural communities in Ontario.

Although the aggregate load distributed to the rural dwellers is, and must always be, but a relatively small proportion of the total energy distributed by the "hydro", its influence upon the economic life of the province of Ontario will doubtless be far-reaching and is already a factor of importance. Agriculture still ranks as the most important of our industries and in these days with farm labour scarce and expensive, anything that takes its place is a great help to the farmer, for, as is universally ackowledged, upon him, in the last analysis, rest the prosperity and welfare of the community. Hitherto the rural resident has thought chiefly of electrical service in connection with lighting, but his greater need is for convenient power. The appliances that are so helpful to the city dweller, such as washing-machines, irons, fans, etc., are of even greater help to the farmer's wife; but, in addition, the farmer can make use of a large number of devices which are even more labour-saving than those used in the city, such, for example, as water-pumps, cream-separators, churns and milking-machines which can be all operated by quite small motors. Where electrical service of larger capacity can economically be installed, additional machinery, such as buzz and drag-saws, choppers, root-pulpers, ensilage-cutting boxes and threshers, for which the farmer usually employs auxiliary power, can also be operated electrically.

I should like to find out from the government what has been done with the Ontario government's application to develop and distribute power on the St. Lawrence at Morrisburg. The application of the hydro has been before the Dominion government for two years. Has it been refused? I may say that this is a very important problem for the people of Ontario, because you have only two sources of power supply left in eastern Ontario, namely, the St. Lawrence and the Ottawa rivers. As far as the eastern portion of the province is concerned there is an abundant supply of potential water-power to be obtained from the river at Morrisburg and the Long Sault rapids. This is an international portion of the St. Lawrence river. The province of Ontario owns 50 per cent interest in that power, amounting to 800,000 horse-power. To sum up: Ontario gave to Adam Beck the chief stewardship of $160,000,000 invested in hydro on behalf of 2,200,000 shares in Hydro properties. The results that Adam Beck achieved by his stewardship of Hydro are set down in the following statement.

1. Every dollar of the $160,000,000 Hydro investment is earning interest and sinking fund.

2. Hydro investment saved Ontario from a coal famine that would have bankrupted the province in war time.

3. Hydro investment saved 2,200,000 shareholders over $75,000,000 in reduced coal, light and power bills.

4. Hydro investment saved Ontario over $100,000,000 on coal prices, which would have gone to $30 per ton in war time but for the Hydro investment that gave Ontario the equivalent of 3,000,000 tons of United States coal per annum.

The force in the national life of Canada that most truly proved itself Liberal in the best sense and Progressive in the best sense of those two much abused words, Liberal and Progressive, is the force represented by the Hydro Conservatives in Ontario. The triumphs achieved by the Hydro Conservatives of Ontario under the leadership of Sir James Whitney and Sir Adam Beck have cut Ontario's coal consumption in half, and cut 75 per cent off Ontario's light and power bills.

They seek to get 300,000 horse-power from this Carillon development and export it to the United States, and once the power is exported to the United States as in the case of the Ontario Power Company and the Niagara Lockport Company it is gone forever. Power once gone is gone for all time to come; once exported it is always exported. That is a principle that is true in hydro development here, and all the world over. In the case of the Niagara Lockport Company the power exported is used by the American municipalities for commercial and domestic lighting of all kinds. Look at the trouble you have got into over the Chicago diversion of water. Water has been taken illegally as not intended by the people of this country. Most of the courts and the press and the people say it has been "stolen." They have taken that water at the rate of 10,000 second-feet, equivalent in horse-power to 35 million dollars a year. That is the equivalent of the electrical energy from the water which has been illegally taken. If you have had international trouble over the water that has been wrongfully taken at Chicago, what kind of trouble will you have if the power derived from these waters is exported forever? Certain legal questions have arisen which no doubt will go

to the Privy Council, because all that Canada is interested in is the surface water for navigation purposes, For example, at Port Colborne, the federal government takes all it needs for the purpose of navigation and the water required for the Welland canal. The surplus waters, subject to the rights of navigation belong to the province of Ontario. Half of the Niagara river subject to navigation belongs to the province. The province of Ontario owns the bed of the river halfway out, and the banks and rapids of the Niagara river. That is its physical property and the interest it has in those waters. I think the Privy Council, if a specific case went to it, would so decide, but the question of federal export tax and license is very doubtful, Mr. Speaker.

An international question has arisen, not only from the international standpoint I have referred to, but also from the legal side, as to what international rights the United States and Canada have in those boundary waters, and secondly what rights the provinces have in these navigable waters. Some of the license rights claimed, I contended about a month ago, especially in the Niagara district, are illegal and it is very doubtful if the Dominion has the power, although the Minister of Justice said that his department had given its opinion that the export tax was intra vires.

I will support the amendment because in my opinion the day for the further export of power and any extension of it is gone. I agree with the second clause of the resolution that no license should be issued beyond those which have been issued, but I do not agree with the proviso which says "except for off-peak power."

There is no such thing as cheap power exported as off-peak load power. Any electrical engineer will tell you that. In the case of power exported to Lewiston and Lockport, which is exported and distributed by the Niagara-Lockport Company you cannot turn off the power during peak hours. You cannot shut off the power exported in the industries on the streets of Lockport at peak hours. They require to have that power available for twenty-four hours a day for 365 days in the year. They cannot go behind that contract for 60,000 horse-power which has twenty-five years yet to run at $12.35 per horse-power. The time has come now to hearken to the warning and adopt a proper policy in this connection. It is said they may cut off our coal supplies, but there are two sides to that question. That matter was discussed in this House a short time ago. Great Britain seeks at present a market for her surplus coal. There is an overproduction there and they have an accumulation of 10 million tons of coal which should be brought to Canada, and we should obtain all our coal supplies from countries under the British flag. We need not pay attention when they say they would cut off our coal supply, because there are two sides to it. It is deplorable to go to Lewiston, continue on up the river and see the connected chain of factories from Lewiston all the way to Niagara Falls and to Buffalo. Why are those factories there? That is a concrete example of the futility of the policy of exporting power. All those factories are linked up there and why? Because of the generous, magnanimous and foolish policy of the government in exporting power from Ontario to the Niagara and Lockport district. Starting on the Canadian side from the village of Queenston what have we? Queenston is situated right opposite Lewiston, but you can go to Queenston right up to the falls and on to Fort Erie and hardly see an industry. There is hardly an industry along that river front except at the falls, Chippewa and Bridgebury, all the way up to Fort Erie. Why? The industries are mostly on the other side because of the export policy. Further on, up to the city of Buffalo what have we got, as a result of the policy of exporting hard grain and power. We find twenty-eight elevators have been built in Buffalo and are there to-day, and in the Toronto Globe we will see a reference to one of the largest companies in Canada, the Maple Leaf Milling Company, conducted by Mr. D. A. Campbell, with head offices in the Dominion Bank building. The Globe says:

> It is interesting to note that overtures have been made to induce Maple Leaf to establish a mill at Buffalo.

And why? Because of this foolish policy in Canada of exporting hard grain, power and raw material and because of the foolish policy in many other lines in regard to grain and other matters. I believe there is a great deal of truth in the words of the late President Roosevelt, where a similar situation arose in his own country when he was in power. In regard to the waste of water-power in the United States he predicted that the day was not far distant when the United States would run out of coal, natural resources, particularly petroleum and gas. He said:

> The people of our country are threatened by a monopoly more powerful than has been ever seen, as it affects very closely their domestic and industrial life. Our next generation will witness a shortage of those natural resources, petroleum and gas. The price

of coal will be such that hydraulic power turned into electrical energy will, owing to its cost, become the prevailing factor for transport, for manufacturers, for lighting and heating our towns. Our hydraulic power alone, entirely and judiciously employed, would be adequate for the present needs of transport, industries, municipalities and private individuals. The major portion of these powers is not developed and remains the national property. It would be madness to part, without conditions, with one of our greatest resources. If we become guilty of this crime, our children will be bound to pay an annual royalty on a capitalization fixed at the highest price that the trade will stand for. They will see themselves struggling with powerful sweaters entrenched behind the doctrine of discharged rights strengthened by all means of protection that money can buy and the cunning of corporations defended by legal men. These ogres of finance will have succeeded long before then to monopolize those resources so as to be able to dictate to the people the management of their affairs and their way of existence. Public opinion will be their least worry.

In conclusion, I appeal to the government of this country to-night to enable the Hydro Electric Power Commission of Ontario, having pointed out the shortage of power, to go on with this Morrisburg development. This shortage was pointed out the other day in a report made by the chairman of that commission, Sir Adam Beck. He is sick and we do not know how much longer he will be with the people of Ontario. Possibly he may not be very much longer with us. He has had to face at times in the past twenty years the opposition of both—federal and provincial governments. His health has broken down in the effort to preserve this magnificent heritage of cheap light and power founded by the Conservative party, because this was brought about by the Conservative party in the province of Ontario. It was a protectionist development in the way of preserving their natural resources for the benefit of the people of Ontario. So I appeal to the government of Canada to-day to give the right answer to the government of Ontario in order to enable them to go on with the Morrisburg development. The application has been in for two years. It will enable the commission to supply electrical energy not only for the cities and the towns and the public utilities, but in addition for the farms of the province.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in listening to the arguments presented by hon. gentlemen opposite in support of the amendment which has been moved, they seemed to fall in the main under three heads: First, an argument in support of the conservation of our natural resources; second, an argument against international embarrassment through the export of power which it may be difficult and impossible to withdraw later on, and, third, the undesirability of stimulating through the use of power generated in Canada, industries in the States which come into competition with our industries. These three headings include, in the main, the arguments that have been adduced in support of the amendment that has been proposed. With respect to the motive underlying all three contentions, I believe the House as a whole will find itself in general sympathy. Whether or not the amendment as drafted is necessary in order to have the broad principles underlying these very important considerations recognized is, I think, open to question.

In the first place, with respect to the conservation of our natural resources, if an amendment were needed for that purpose, it would I believe, be speedily given support. The question, however, is not at the moment one of the conservation of our natural resources. The electrical energy available at the present time in the central area of Canada is estimated at something between eight and twelve million horse-power, of which but 1,200,000 odd horse-power has been developed, with a capacity development of, perhaps, 3,000,000 horse-power. Electrical energy in the matter of export is not of the same character as some other natural resources, minerals, for example. Minerals, once extracted and exported, are gone. Electrical energy is of such a nature that what we transmit at the moment will make no difference so far as the future supply is concerned. Rivers continue to flow on, and if the opportunity is lost while it presents itself, it is lost forever, to the loss of all concerned. The argument therefore, as regards the conservation of our resources beyond the point of declaring that at no time should Canada export power that she needs or may need within a limited time, has no great application.

I am sure every hon. member would wish, with respect to the export of power to see that under no condition was power exported which we would likely need in the immediate future, or which we would be unable to recover before the time at which the actual need might arise. With any policy that has that end in view, the government is wholeheartedly in accord. That aim however, is met completely by the first clause in the amendment:

> That in the opinion of this House export of hydro-electric power from Canada should be permitted only on yearly license.

Speaking in this House some nights ago, I intimated, as respects the present adminis-

tration, that such was the basis on which we had proceeded in the past, that it was the basis on which we were proceeding at the present time; and that it is the basis on which we intend to proceed with respect to the export of electrical energy. We intend to grant licenses for export only for a year at a time, and where electrical energy is being exported under license for that period of time, all parties must understand that one of the purposes of the reservation is that it may be distinctly understood that this country may, at any moment, without giving cause for any right of action or ill-feeling on the part of the country to which energy may be exported, have the right to make use of its own electrical energy as required.

As to the second point, the danger of international embarrassment once power is exported on any scale, and attempt at withdrawal is made where industries as a consequence have been built up in an adjoining country, if I recollect aright the hon. member for Vancouver Centre (Mr. Stevens) stressed that point strongly when speaking in the House not very long ago, and in so doing made a special reference to myself as likely to be in sympathy with him in that regard. I am in entire sympathy with that point of view. I do not think it is the part of furthering good relations with our neighbours to take any course likely to occasion serious embarrassment at a critical juncture, and I believe, if electrical energy were to be exported in great quantities for a period of time without every precaution being taken in the leases made, that kind of embarrassment might arise. It would be most unfortunate if, in this country, we did not foresee that possible danger and take every step that a government in its wisdom should take in avoiding possible embarrassment of that character. These international frontier problems are problems which, particularly in this country with its frontier of 4,000 miles, we cannot safeguard too carefully. The reason, however, which should cause us to be careful in the matter of preventing international embarrassment in the future ought to make us equally careful in not imposing a handicap to international negotiations in the present. We in this country have to rely, to some extent at least, upon our neighbours for certain importations. We have witnessed in Canada during the winter season times when we have been grateful to the United States that she has not seen fit to shut off the supply of coal coming into our country, when she has adopted the broad and neighbourly policy of saying that she would do for Canadian industry and for the Canadian people in the matter of coal supply practically what she was doing for her own industry and her own people. That is an attitude which I submit we should not forget in any line of policy we lay down and which may be directed particularly against our great neighbour to the south. What is true in the matter of the importation of coal is true also in regard to the importation of oil. It may also be true at any time with respect to some other commodity or commodities which we find it necessary to obtain from that country.

In addition to this, we may by going the length of the proposed amendment, be imposing a handicap on some of our own provinces in the development of their resources. Mention has been made in the course of the debate to-day of an application that was made to the United States to permit the exportation of power to Canada at a site near Waddington in which there is a small water development on the American side and which some of our industries wished to take advantage of, as it would have been to their interest to have the use of power generated at that point. It is conceivable that at another point in Ontario power development might take place with advantage to a local industry on the other side, where an exchange could be made with our neighbours to balance our importation from them. Such a reciprocal arrangement would be cut off completely if we adopted any such course as is now suggested, and far from its being to the advantage of either country it would be a distinct loss to both.

The amendment declares that no license should be issued beyond those at present outstanding, except for off-peak power. This simply means that the hands of this and all other administrations would be completely tied in the matter of international negotiations; and I submit that it is not in the interests of Canada to have her hands tied in any particular in international negotiations with the United States. We should be as free as possible in our negotiations with the United States on trade and other matters, and should possess all latitude and powers calculated to be of service in such negotiations. We may not have occasion to use them, but to the extent to which we tie our own hands we help to render impotent the power of our own government when negotiating on any relevant question. I submit that to go the length of denying the administration that power of freedom in negotiation which should be reserved to it is simply to work an injury to the country and to render no good service in return.

In regard to the third point which has been raised, namely, that of building up American industries at the expense of our own, the argument sounds very plausible, but we must not forget that it is also applicable in its force from the other side of the line as well as from our own. We obtain large quantities of coal in this country from the United States for utilization in our industries and for the purpose of running our railways. And our railways and industries are competing with the railways and industries of the United States. Would this House regard as a neighbourly act an expression of opinion from the United States congress at any time that thereafter no further exportation of a commodity which was essential to us in connection with our industries should be permitted on any consideration? I contend that parliaments exist in part to help to maintain international good will, and that the broad interests of the nation rather than any special interests or any party consideration ought to be the controlling principle in matters of this kind. As I have already said, while we can appreciate the force of an argument which would seek to conserve for our own needs, and in a manner that would avoid embarrassment, whatever is essential in the way of electrical power in the country, we should take care in presenting our point of view not to express it in such terms as would place in the hands of our enemy a weapon which could be used against us, and take out of our hand the power which we need for purposes of negotiation. For that reason I wish the mover of the resolu-

10 p.m.

tion (Mr. LeSueur) could see his way to amend it. I would not ask him to withdraw it entirely, but I think he might amend it in accordance with a suggestion put forward in one or two speeches this evening. The amendment as it stands reads:

> That in the opinion of this House the export of hydro-electric power from Canada should be permitted only on yearly license, and no licenses should be issued beyond those at present outstanding except for off-peak power.

I would suggest that the hon. member amend his resolution by deleting the words "and no licenses should be issued", and so on, and substituting therefor the words:

> —and that hereafter no license for the export of power beyond that already granted should be issued except with the concurrence of the province or provinces in which it is proposed to develop such power.

I believe that if that provision were substituted it would give all the security that is needed. In the first place, it is I think an advantage both to the provinces and to the Dominion that each case involving the export of power should, as it arises, be examined on its merits. There may be a situation in Ontario and Quebec which may be of considerable concern in some directions at a particular moment. But it does not follow that arguments applicable to it apply with equal force with respect, for example, to a situation in the prairies provinces of Manitoba, Alberta and Saskatchewan. It is conceivable that in those provinces the moment may come when some export of power may be desired in order to enable the development of power within the provinces themselves.

Mr. HOEY: We have a surplus of power in Manitoba now.

Mr. MACKENZIE KING: That being so, no doubt the province of Manitoba may wish to have the right at any time to export that power, and I think it would be unfair for this government or for the province of Ontario or the province of Quebec to say that Manitoba should not have that right. So doing, on the part of the federal government, might not as respects the export of power be an interference with provincial rights in the general acceptation of that term, but it certainly would be an interference with provincial interests in that matter of the development of their resources; and I submit that the federal government, should always seek to consider the wishes and the needs as well as the rights of the different provinces that go to make up confederation, and should not take a step, by means of a resolution such as this, which might cause embarrassment to even a single province and possibly considerable embarrassment to several. In a word, if this parliament declares that there should be no export of power except by yearly license, it thereby serves notice on its neighbour—because it is only to the United States that any export can take place—that at any time, as the needs of this country demand, that power export may be terminated, without occasioning a grievance or without having established any vested rights of the other side meanwhile. If beyond this it couples with that declaration the provision that all future licenses shall be granted only by concurrence of the province from which the power is to be exported, there should be every reason to feel that we have gone as far as we should in seeking to safeguard our resources. To go further would be possibly to work an injury in the opposite direction.

Now, I do not know whether my hon. friend will accept this suggestion, but if he does not I should find it difficult to appreciate this motion being moved on going into supply for any reason other than in some way to

express a want of confidence in the government. I have stated frankly the policy of the administration. It is embodied in what I have just suggested as an amendment to the motion before the House, and in order that it may be perfectly clear to the House I shall read what I should like my hon. friend to move as expressive of the policy by which the government is prepared to stand:

That the export of hydro-electric power from Canada should be permitted only on yearly license, and that hereafter no licenses for export of power beyond that already granted should be issued except with the concurrence of the province or provinces in which it is proposed to develop such power.

If the last part, which is what I suggest, is acceptable to my hon. friend, the government will certainly accept the first part of his resolution.

Mr. MEIGHEN: Is it the Prime Minister's intention in the suggested amendment that if the power is developed in a particular province, the virtual authority of export should be vested in that province should the province desire to export any part of the power?

Mr. MACKENZIE KING: No, the power to export is vested in the Dominion, and the Dominion will not exercise its power without the concurrence of the province concerned.

Mr. MEIGHEN: I know, but my point is, will the Dominion grant a license to export if the province asks for it?

Mr. MACKENZIE KING: Not necessarily. I think if there is to be concurrence on the part of one there should also be concurrence on the part of the other.

Mr. MEIGHEN: What principle would the government adopt? Because the resolution would be silent on that question entirely if amended in the manner the Prime Minister suggests. What principle would the government adopt in determining to grant a license if the province desired to export?

Mr. MACKENZIE KING: As I have said already, I do not think this is a matter on which it is possible to generalize. I think each case would have to be examined and dealt with on its merits. The hon. member for St. John and Albert (Mr. Baxter) quoted a case. He alleges that by by treaty rights the province of New Brunswick can export a certain amount of power regardless of what might be said by the federal authority. There are those who hold that that is not a true interpretation, that as a matter of legal obligation the province is obliged to come to the federal government to get the right to export. I do not think where there is doubt on such a question we should adopt a motion of the kind proposed. As I understand the hon. member for St. John and Albert, he is prepared to have that export of power granted in virtue of the treaty obligation. But if it be a fact that in law that right does not so exist, or if it is open to controversy, we may have in the interval a long legal controversy arising out of the decision by this House on the question of policy. Where there is a legal doubt of the kind, if the course we are proposing is sufficient to secure the country in its main objective, I submit it is better for us to follow that course than take a step which may occasion serious embarrassment to the provinces. As an analogous case, take other boundary waters between the United States and Canada. Along the boundary in any particular province it may be that a municipality may wish to develop its water-power, but that it can only do so by building dams within its own territory. Inasmuch, however, as the water is international, the consent of the country to the south may have to be obtained before that step can be taken. Now, in the case of New Brunswick first cited, the consent of the United States was given to the course there adopted, on the understanding that the United States would be entitled to a certain quantity of the power generated after the installation was completed. That same condition might arise in many of our border municipalities, yet if we adopted this resolution and followed it those municipalities might be prevented from developing water-power which would be of the greatest service to them, simply because it lay beyond the jurisdiction of parliament to grant the necessary license for export under an arrangement which would permit of that power being developed. Therefore the more one considers it the more one feels, I think, that there is every reason why if in a matter of great national importance such as this we are conserving our resources and safeguarding our industries and the future, we should be most careful about taking a step which might create embarrassment in international negotiations.

Mr. STEVENS: Take the case of a water-power which may be located in one province but vitally affects the rights of another province, for instance, the Winnipeg river—I am not citing that specifically, but merely as a general illustration—one province might be willing to consent to the export, but the other province vitally affected by that export, might be opposed, and yet would have no voice in

the decision by reason of the amendment suggested by the Prime Minister.

Mr. MACKENZIE KING: In what I suggested I used the expression "with the concurrence of the province or provinces in which it is proposed to develop such power."

Mr. STEVENS: Take for instance, Ontario and Manitoba, the development of the power is in Ontario, the use of the power is in Manitoba; that is, the main body of citizens affected by any export that might occur would be those in the latter province, yet the whole development is in Ontario, and therefore under the proposed amendment Manitoba would be helpless.

Mr. HOEY: The development is in Manitoba.

Mr. STEVENS: The development is in part at least in Ontario. I am not limiting myself to this particular case. There might be a case where the development would be wholly within one province, but its export would vitally affect the industrial welfare of the neighbouring province. The Prime Minister, I think, appreciates my point.

Mr. MACKENZIE KING: I think what my hon. friend says shows the wisdom of the very course I am suggesting. What my hon. friend wishes the government to do is to be considerate of the interests of the provinces. He wants us not to sacrifice the interests of one province to those of another that might possibly be affected by any export of power. I would say that such would be the point of view from which the government would wish to proceed. We would wish to consider the interests of all the provinces concerned. I do not think it would be wise in stating a general policy at the moment to define it too much, but I would point out to my hon. friend that the amendment which is before the House would absolutely prevent any kind of consideration of the interests of either province in the case he cites, and if there is any merit to be urged for what he has put forward, he should be the first to see the wisdom of following what is here suggested rather than adopting the more restrictive policy which would deny the Dominion any power of discretion in such a case.

I should perhaps add in order to make my position clear, that I assume the House understands that where there is an amendment on going into supply, an amendment to the amendment cannot be moved. Had it been possible to do so, I would have made a motion in that form. I have asked my hon. friend if it is possible for him to accept my suggestion and submit a modified amendment, instead of his own motion as drafted; if he cannot see his way to do that, I have simply to remind the House that the government can take no course other than to regard the motion directed against us as under the circumstances, a vote of want of confidence. I have tried to avoid the necessity of a division by making to my hon. friend what I believe to be a very reasonable suggestion.

Mr. GOOD: Mr. Speaker, may I ask the Prime Minister if the amendment he now proposes could not be so altered as to require the concurrence of the federal government and the province or provinces affected?

Mr. MACKENZIE KING: That is what I am suggesting.

Mr. GOOD: Not I think so far as the concurrence of the federal government is concerned. Is that implied in the resolution as proposed to be amended?

Mr. MACKENZIE KING: I am saying the federal government will not agree to give in future licenses for export except with the concurrence of the provinces. The power to give export licenses resides in the federal government, but I am agreeing that it shall not be exercised except with the concurrence of the province concerned.

Mr. GOOD: So long as that is clear, it is all right.

Mr. MACKENZIE KING: That is clear.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): We have often debated subjects in this House before rather crowded numbers that were of infinitely less consequence than what is presented this afternoon, and in years after when much that is good will have been forgotten, the course parliament takes on this question will be remembered as a landmark either to our credit or to our discredit.

The resolution is clear in its terms, to my mind is unobjectionable from every standpoint, but great efforts have been made to find in some remote, imaginary contingency an occasion when the principle that we ask to be adhered to might possibly have to be modified.

Why is it that we should in the first place direct policy against the export of power? I intend to give in very simple words the reason as it appeals to my own mind. I cannot see how the reason will appeal to any of those who follow the doctrines of the free-trader. I cannot see how it will appeal to those who still have faith in maxims that are

recited in this House times without number; but I believe the reason will appeal to practical men.

Some hon. MEMBERS: Oh, oh.

Mr. MEIGHEN: Yes, I mean every word. I think the policy of so directing trade currents as to keep at home the raw resources of a nation for the use of that nation itself is one approved by experience, and now all but universally in practice. Different methods are adopted. The protective method is only one, but it is the chief the world over.

Mr. VIEN: The right hon. gentleman cannot conceive of some cases where the development of the natural resources of a province must of necessity entail the export of power if there is not in that province sufficient market for its development?

Mr. MEIGHEN: I would answer the question were it appropriate, but inasmuch as it has nothing to do with the argument I am on, I will postpone reference to it until perhaps it will have some relation to what I am saying.

The protective method is one, and it is the most universal. It is perhaps the most effective of all. There are cases to which it cannot apply. The case before us is one where it will not apply. Others would be where a nation had certain resources far too great for immediate development to the finished state, having regard to the then population of that nation. Such cases include our own supply of asbestos and of nickle. These must be provided for some other way, but the case before us is that of power.

Power is the rawest of all resources. Power is much more rudimentary, much more an instrument of further development and production than is any other raw resource whatsoever. Power bears the same relation to the ordinary raw resources of a country that those raw resources bear to the finished products of the country. It is the instrument by which the mineral is delved from the ground; it is the instrument by which the coal is heaved to the surface. It is the most fundamental and rudimentary of all things looking to the expansion of a nation; so that the arguments, which apply in favour of directing trade currents and trade policy so as to keep raw resources for development by the people of a country apply with double force to the case of power. But if they are no good with relation to the development of our raw resources, they are equally worthless with relation to power. If they have no application to the other resources of a country, they cannot be contorted into an argument for the preservation of power, and those who still adhere to the theory that you must follow the natural trade current, that what a man or a country owns or wants he should sell in the dearest and buy in the cheapest market, those who adhere to these things cannot on any account find any ground to stand on if they wish to preserve to a nation the power that is resident within it. But there are few of those.

I think we all agree in this House that it would be nothing but suicidal for Canada to allow the export of these irreplaceable, limited, vitally precious resources from this country. We have done so in the past. Every nation in its early years of development is compelled to permit to some extent—and now I am at the point raised by my hon. friend from Lotbinière (Mr. Vien)—the export of its raw product. We have been compelled to in our earlier years. We have done too much of it. But as a country develops and gets stronger, it is able to take care of these more and more, and directs its trade policy to do so. We permitted the export of power for years. We did not permit the export of a very great quantity relative to what we possessed. But 200,000 horse-power is a large amount, and that now is under license. There is this to be said for our conduct: Not only was it in line with what younger countries are very often compelled to do, but at the time the policy grew up, the value of this great property was not fully understood. The value of coal in early years was not fully understood. It has taken a longer time still to have us realize the tremendous resources that we have in our water-powers. Of far greater value will it be in the long years to come than any other single thing in the way of a material product that we possess. As electricity has advanced, as the knowledge of that science has developed, we come more and more to realize the value of what we have, and consequently we get now to the position where we do not look upon these things as we did in the earlier days.

Now why is it that we say we have reached the stage when we should export no more? Well, I state it in this way: We have reached the stage where already we feel the pinch in certain parts of our country. In large portions we do not, but in the industrial portions of our country we have got to the point where if we permit further export we are going to find ourselves within a comparatively few years bereft of these things essential to our growth. It is said we have some forty million in this country of potential horse-power. Well, I presume we have just in the same way as we have millions of acres in Greenland, millions of acres up in northern Ontario and the North-

west Territories, but in so far as the available horse-power is concerned, we have not nearly the half of that figure; and in so far as that is concerned which is within transmission range of industrial Canada, we have not more than one-third of it; and in the province of Ontario, within transmission range of industrial Ontario, we have not now more than will be overtaken and be in use within a space of not more than fifteen years, and probably not more than ten or twelve years.

In this I quote not only the opinion of engineers as I have them before me in the Engineering Journal, but the considered opinion of Sir Adam Beck who has been closer to the problem than any other man. The situation in Quebec is somewhat different. At the estimated rate of increased consumption they will probably have absorbed all they possess withnn the space of twenty to twenty-five years. Now, it may appear to some the better course to say: Let us get rid of what is going to waste in the meantime, and, in the words of the Prime Minister, do it only by a yearly license, do it with the distinct understanding that we can take it back whenever we like, and then all will be well. To that we on this side of the House are definitely opposed, and we are opposed because of the lessons of experience, and because of the reasoning that applies to our relations at the present time. Power differs from all things else. If we export power to another country that other country gets into the position where it cannot supply what we now supply, where it can obtain it from no other source. Power is not something that is in the world market, that another country can substitute for if a first country withdraws. Power is something which once exported becomes the foundation of a great vested right and the withdrawal of it—however closely, however narrowly and carefully it may have been provided for—becomes a practical impossibility. We found ourselves in the position that when we needed the power badly we could not withdraw it and we found, as well, that although we applied the system of yearly licenses the company undertook to give contracts extending over a period of time and we were bound not only by the rates secured by the industry erected but were also bound, in a measure, by the contract although that contract had no warrant to be entered into. And if we pursue the same course in the future that we have pursued in the past, and go on giving these yearly licenses, we will find ourselves in a very short time in relation to that power just where we do now in relation to the power licenses in the past. We will find industries gathered round us, we will find municipalities dependent upon it, we will find ourselves powerless to withdraw into our own country the resources we have once let go from our midst. I do not think there are any associated with the power industry who have any other opinion. I do not think the Prime Minister has any other opinion. I do not think any member of the government would stand and say that if we give yearly licenses now and new uses are found for new power development in Canada no matter how we may surround the export license with safeguards and guarantees, just as soon as those uses become established and those industries and those municipalities there become dependent upon them, we cannot withdraw it. We may as well face the facts. So, I say we should make a pronouncement against further export.

The reasons urged against it are rather ingenious. I had thought this resolution embodied what appeared to be the all but universal opinion of the people of Canada. If ever the people of Canada came together on any single question, a study of the newspapers of the last month would indicate they had come together on this. Throughout the length and breadth of this country there appears to be little difference of view. It all arose because of certain reports which emanated from Ottawa, respecting the Carillon power, of proposed development and of proposed export. The history of that project I do not need to review. I think the House may consider, in view of the statement of the government to-day that whatever might have been their flirtations with this project, they have now been compelled to give it up, and there is not going to be any export of Carillon power. Because in respect of Carillon power the provinces of Ontario and Quebec are the provinces interested, and as every one knows those provinces as at present governed will not consent to any export at all. So the need of a detailed review of the history of Carillon project has gone. Whatever other results these debates have had, they have had this result—that they put back into limbo the possibility of a tragedy in connection with Carillon power.

Mr. MACKENZIE KING: Might I remind my right hon. friend that what I said to-night was just what I said the first time this subject came up; it has been our point of view all the time.

Mr. MEIGHEN: Well, I do not think it is precisely the same. I do not say that because I intend to enter into any argument as to the difference. I know the Prime Minister

said, as about the last word in the debate, after all along efforts had been made to get an assurance of policy, that the government intended to continue the system of yearly license. That, however, is not sufficient. In the course of that debate—it was on the same subject as this—I asked and asked repeatedly, and I directed my words to the Minister of Railways, that an assurance be given parliament that there would be no license issued in future save on a yearly basis, and no license issued at all for further export if the power was to be used for any new development industrial or municipal over there. One would have thought that assurance would have been easily given if the government had no project in contemplation in relation to Carillon. But I could not get the assurance. I tried one day and I tried the next day, but the government sat silent. So I do not think this House could take from any statement of the government on that occasion that they were opposed to a further export of power. Certainly the country did not so assume and in this connection the country was right.

Now I am coming to some of the reasons urged against the resolution as it stands. It is said by the hon. member for St. Lawrence-St. George (Mr. Marler) that he is opposed to the export of power. He would go even further than the resolution. He would not make any considerable exception of off-peak power. Well, we are prepared to grant the exception, we are prepared to make the elimination. As far as that goes we will go the whole length and prohibit the exportation of off-peak power. But we did not want to have a resolution to which any reasonable objection could be raised, and there is never going to be any serious thing happen from the exportation of off-peak power. No industry in the world is ever going to invest money in a contract on the faith of off-peak power; if the demand is sufficient at home no man would ever invest money or acquire a vested right position in a contract for the importation of off-peak power.

Mr. MARLER: Would my right hon. friend do me the favour of admitting that I said no power should be exported without the consent of the province in which the power lies?

Mr. MEIGHEN: I am coming to that; that is another point. The hon. member for St. Lawrence-St. George would go the length of preventing exportation.

Mr. MARLER: Would my right hon. friend be kind enough to couple what I said then with what I formerly said? Both statements should be taken together; I think that is only fair.

Mr. MEIGHEN: The hon. member's argument against the resolution first of all was this, and it was because of that argument he finally made the addition that he would allow exports only with the concurrence of the province. He said that we might have a contingency where it might pay us to make the sacrifice.

Mr. MARLER: Certainly.

Mr. MEIGHEN: He said that some contingency might occur later on but his imagination did not carry him to the extent of trying to picture it to the House.

Mr. MARLER: May I say that—

Mr. MEIGHEN: The hon. member finds it easier to interrupt than he does to make an argument on his feet. Though the principle is sound there might be occasion for exception. For myself I do not know what the contingency would be. I can imagine of course in the event of war, where terms of peace were being settled, it might be easy to give up something in order to get something else; but dear me these are not laws of the Medes and Persians which we are enacting. We are only declaring a principle. The fact of the matter is that indeed the government can act without a statute at all and without coming to parliament.

Mr. MARLER: The right hon. member is enunciating the precise principle which I declared. If there is a necessity that we should export power for the advantage of Canada, then and then only would I consent to the export of power, with the consent of the provinces.

Mr. MEIGHEN: If I was enunciating the same principle as the hon. member, he should have been satisfied, but I was not enunciating the same principle.

Mr. MARLER: My right hon. friend is enunciating no principle at all except politics.

Mr. MEIGHEN: A contingency which might arise could be taken care of at the time. Parliament can act as it will. The government would have to come to parliament on every occasion in order to take action. Can anybody imagine any case where the government would want to act in the export of power, if this resolution passes, where it would be embarrassed by coming back to parliament to settle the terms of the arrangement with another country and ask for ratification? All these matters with other countries are ratified now by parliament, but

as the law stands to-day, the Export Act is such that the government might enter into a contract of any kind whatever as to the export of power and not be under the necessity of coming back to parliament. All we ask is that a principle be embodied that parliament declare its will, and if any emergency occurs in the future, that few of us could ever imagine—I do not know what it would be—the government could come back and state the case to parliament, and parliament could act if it desired on the recommendation of the government.

Mr. VIEN: The right hon. gentleman does not conceive that that provision would be a serious embarrassment for the government?

Mr. MEIGHEN: Not at all. It would be a help to the government. The government would be far better in negotiating with another country to have to say to that country, "We must go to parliament to get this done," and anyway is it not right that parliament lay down a general policy? If the government sees something great can be gained from that policy, it is not prevented from going to parliament and saying "Here is the policy: we ask you to accept that and make a sacrifice in order to accept it;" so that this excuse for voting against the resolution is no excuse at all. It does not amount to anything. The hon. member for St. Lawrence-St. George is mumbling in his seat. He surely is not asleep. Why can he not act in parliament like other hon. members, and when he wants to make a speech get up and make it, and not sit in his seat groaning and mumbling?

Mr. MARLER: My hon. friend would not suggest that I should act as he does in parliament. I should be very sorry to do that.

Mr. MEIGHEN: I do not think the hon. member ever will.

Mr. MARLER: No, indeed.

Mr. MEIGHEN: Another hon. member says that if this resolution passes New Brunswick is going to be in a fix, that that province cannot allow 2,000 horse-power to be exported in relation to a development there now impending. I think the argument advanced by the hon. member for St. John and Albert (Mr. Baxter) clears that contention away completely. Certainly anything we have agreed to in the past is covered by licenses outstanding. Anything agreed to by treaty we are going to perform. We agreed in the treaty with the United States that in relation to international waters the jurisdiction should rest with the International Joint Commission, and that commission says that in the disposition of the power of the St. John river at a certain point, owing to certain flowage rights which must obtain in the state of Maine, it is only right that 2,000 horse-power should go there. We granted that right and agreed to it years ago, and it is not covered by the resolution. This is only finding straws in the road; they are not obstacles. It is the principle of the resolution to which we have asked adherence.

Mr. GRAHAM: If the power company developed on the Canadian side, would it not be incumbent on that company to come to the Dominion government to get a license to export it?

Mr. MEIGHEN: It may be technically incumbent upon it but the Dominion government has already agreed to give the license.

Mr. GRAHAM: No.

Mr. MEIGHEN: Yes, it has agreed by treaty to give it. Does the minister say that any discretion rests with this government as to the issue of that license; that the United States of America is in the position still that it is dependent on the discretion of the government of Canada? Absolutely it is not. The issue of the license is a mere matter of course, and would not be prevented or postponed by this resolution for an hour.

Mr. GRAHAM: It might be.

Mr. MEIGHEN: No.

Mr. GRAHAM: It will raise a serious question as to the issue of the bonds.

Mr. MEIGHEN: No.

Mr. GRAHAM: Yes.

Mr. MEIGHEN: I should like the minister to try it. The passing of the resolution does not affect anything. The country has already agreed to it. It is only trying to find something in the way, and the government has industriously dug up little things. It is said, "Let us agree upon this, that we as a government will say, 'We will not issue any licenses except yearly licenses'". So far so good; or that parliament may be said to be at one—at least in so far as two groups in the House are concerned, and the other group has been silent up to this time. I do not want to assume to speak for those for whom I have no right to speak. But as to the rest, we cannot agree. We will not give yearly licenses for additional

export except for off-peak power. To that we cannot agree, but we will agree that we will not issue licenses for any further export of power unless the province in which the development occurs agrees. I do not like the principle of that as well as I like the principle of this resolution. I do not like to see parliament surrendering its jurisdiction but this distinctly does so. I prefer parliament exercising its own right. I do not like parliament saying, "we have certain responsibilities, but we have not the courage to live up to them." We will not act even within the ambit of our own authority, unless we first get the say-so of the provinces affected by our action. I think we should declare a policy of ourselves on a great matter within our own jurisdiction, but I do not want to be too ambitious in our demands. What the Prime Minister says certainly will not cover the case. There are many powers in this country in which more than one province is interested, and the province interested most is one where the power is not developed, where the province in which the power is developed may have little population and no industrial life, but it may be situated near industrial life in another province, and that other province is the more affected of the two. There are certainly powers in the Winnipeg river in which two provinces are interested. I believe Manitoba—correcting the hon. member behind me—has more actual power sites in the Winnipeg river, more power potentialities within its boundary than Ontario, but Ontario surely is not to be told that it has no interest whatever in powers developed in Manitoba, nor the province of Manitoba to be told that it has no interest in the power developed in Ontario. Similar cases, I am told, even more striking in their relationship to this proposition, exist as between Alberta and British Columbia, and I do not doubt that cases would be found still between Alberta and Saskatchewan. That is why the Dominion has jurisdiction. I do not know that there will be cases where more than two provinces would be affected. Perhaps there would not be.

Though I do not like the principle, in order to show that we are not moving this merely for the sake of a party vote, if the Prime Minister will change his amendment and say that no license will be issued except with the approval of the provinces affected by the development, then I for one would be willing to recommend to my hon. friend that he accept the amendment suggested.

Mr. MACKENZIE KING: I am quite prepared to do that. It is in accord with the spirit of what I have said.

Mr. MEIGHEN: That will be satisfactory as far as this side is concerned. Before I sit down, I want to say a word in relation to this question which is continually raised, that if we pursue this course, we are not acting in a neighbourly way to the United States; that we may bring upon our heads retaliation, and that they have not acted towards us in this spirit in the past. I have no sympathy whatever with those words, and I want to say so with the utmost frankness. In the first place, it sounds strange in my ears that properties which are ours, in which no other country can claim an interest at all, are properties the disposition of which must be governed, not by our interest alone, but by the interest in some degree of another land. Are we not to be permitted in this Dominion, in relation to assets which are ours entirely, to pass such laws as best suit the interests of Canada—

Mr. VIEN: Irrespective of reprisals?

Mr. MEIGHEN: —irrespective wholly of reprisals, for fear another country would not like the step we took, thinking it is not in their interest? Will the hon. member tell me of any country that ever acted in that way towards us?

Mr. VIEN: Because, my right hon. friend knows it; we never acted in that way towards them.

Mr. MEIGHEN: I know of no other country that ever acted in that way towards us. I want to make clear what I say. I do not say that in all water-powers in which we are interested, the United States have no interest. Wherever they have an interest, I would recognize it to the full and I would treat with them in a neighbourly and friendly way, but as respects our own I would dispose of our own water-powers wholly in the interest of Canada. When I say that, I want to ask my hon. friend: Does he think the United States has ever disposed of any resource of that country save with an eye to its own interests? Does he think coal has been sold to the people of the Dominion of Canada just in order to keep us warm?

Mr. MACKENZIE KING: Does my right hon. friend not know that during a period of great fuel shortage in this country and in the country to the south, when the United States were being urged by some of their own industries to conserve all the coal for themselves, they took the position that they would treat the people of Canada in the same way as they would their own people?

Mr. MEIGHEN: Yes, that is true, but they did it in their own interest. They knew this country could have got coal elsewhere and that the markets which they have been supplying would have been filled and would have been lost to them. I am not saying this in criticism of their spirit. Their spirit is perfectly right, but their action was dictated by a regard, not for our country, but for their own interests, and that is what dictates the course of any country.

Mr. McMASTER: The right hon. gentleman's argument is that there is no such thing as generosity. That is the inference.

Mr. ARCHAMBAULT: That is his criterion.

Mr. MEIGHEN: My criterion is this, that the greatest generosity a country can perform to the world is to look after itself.

Mr. ARCHAMBAULT: That is selfishness.

Mr. MEIGHEN: Certainly, and if we have reached the stage when we are not able to look after ourselves, we had better haul the flag down and no longer claim to be a country acting on its own initiative. The United States does not need our generosity. If it does, I do not know when it got into that position. The people of the United States are able to take care of themselves. They do not ask for our generosity. We are exporting to-day 200,000 horse-power. If we say that we do not intend to export any more, say so frankly and act upon our statement, have the United States any complaint? I do not know what just complaint they would have. I suppose if they acted in a corresponding way, they would say: Well, we will not export any more coal than we are exporting now. I for one would not weep very much if they took that view. I would feel that that was not doing any good to the United States, and it was certainly not doing any harm to us. Certainly let them restrict their export of coal to the coal they are exporting now. Would the hon. gentleman hang his head in fear? It would be the best thing that ever happened to us. The hon. member shakes his head.

Mr. VIEN: Does my right hon. friend contend that if shipments of coal from the United States to Canada ceased to-morrow, that would not play havoc with many industries?

Mr. MEIGHEN: I did not say that. I said if they restricted the export to the export that is going on now.

[Mr. Mackenzie King.]

Mr. McMASTER: The right hon. member has not the courage of his own convictions because if he were logical, he would stop the export altogether.

Mr. MEIGHEN: I have not the stopping of it. They have the stopping of it.

Mr. McMASTER: I know that.

Mr. MEIGHEN: Then what does the hon. member mean?

Mr. VIEN: Supposing they do stop the shipment of coal to Canada, that would work havoc with our industries.

Mr. MEIGHEN: As soon as the United States feel it is in the interest of the United States to stop the shipment of coal to Canada, they will stop it. It is not in the interests of the United States to-day and they know it is not. I do not think they have ever acted in the spirit of injuring another country to the injury of themselves. That is not the spirit of neighbours. But in disposing of their own ressources to their own advantage, they are behaving only as a nation is bound to do, and they have never pretended to be in favour of any other principle. The United States, if they felt it was in the interest of that country to impose an embargo on the export of coal, would not wait twenty-four hours before the embargo was imposed on the export of coal. The same thing is true of oil. This country would not be helpless in its development. I know there would be very considerable disturbance; I know it would injure us for a time; but I know also it would very seriously injure the United States and I do not fear it. There are, however, other places where we can get coal and other places where we can get oil. This country could rise to the event. This country would be injured less than the country which acted only to hurt another even at the expense of hurting itself. All these ghosts are ghosts and ghosts alone. The United States is not going to prevent the export of coal because it pays the United States to sell coal. It is not going to prevent the export of oil because it pays the United States to sell oil. The United States to-day in more than one state would not let a single horse-power pass out of its borders. They say: Oh well, we might need a little bit of power at Watertown; we might be ready to give you a little bit somewhere else.

Mr. GRAHAM: Waddington.

Mr. MEIGHEN: It will not matter much, because we shall not get the power.

Mr. GRAHAM: We were offered it.

Mr. MEIGHEN: We were offered it, but on terms we would not accept. Does anybody imagine we are going to suffer because the United States will not sell us a little water-power? We shall get along all right. This is a resource where we have an advantage and which we must have looking to the future development of our country. What we must do is to assert our advantages fearlessly, and we shall not wither one iota in the esteem of the United States. They will think all the more of us and they will be just as good neighbours as they ever were. No country is going to act in a spirit of generosity to us because we raise a sort of white flag and say: It will be in our interest to do this, but we will not do it for fear we shall hurt you. Let Canada get out of that way of thinking, and the sooner we get out of it, the better. We have been in it altogether too long. Consequently, in so far as this argument is concerned, I give it no strength, no weight at all. The only principle to follow is to act as to our property in our best interest. Do not injure ourselves in order to injure another. Act with regard to it only with a view to helping our own people to the utmost of our ability.

I have stated this in order that the House may know how I look upon these matters. I have not stated it because it will have any effect on a division, as I apprehend there will be no division. I accept the amendment in order that we may be united and that the whole world may know how we are travelling in relation to this great question. But I would prefer that governmental responsibility should not be shirked, and I would have preferred that it be declared once and for all that we are against further exportation; but I accept it inasmuch as I believe this amendment in its practical result will reach the same end as the amendment that was moved before, because I do not believe that our provinces will agree to the export at all. That being my opinion, I accept the amendment as now agreed to by the Prime Minister himself.

Mr. McMASTER: Mr. Speaker—

Mr. SPEAKER: Before the hon. member addresses the House, I must point out that the amendment cannot be moved by the Prime Minister. The amendment as now amended should be accepted by the mover, and in order that this may be done it is necessary that the leave of the House be obtained, inasmuch as it is not usual for the mover of an amendment to amend his motion except by unanimous consent.

Mr. MEIGHEN: If the hon. member for Brome (Mr. McMaster) were allowed to proceed now, Mr. Speaker, I think the hon. member who moved the amendment in the first instance (Mr. LeSueur) would have the revised motion ready for the House at the conclusion of the hon. gentleman's speech.

Mr. ANDREW McMASTER (Brome): I would not delay the House were it not that something that should be said in the debate has not so far been said. The right hon. leader of the opposition (Mr. Meighen) gave expression to an opinion that is perfectly true; he said that his words would not be acceptable to those who believe in the principles of free trade. I can agree most heartily with him in that regard. But the right hon. gentleman also said that they would be agreed to by practical men. Now, who are the practical men? Before the Great war came as a scourge to humanity the practical men had said that armaments would ensure peace, that one tariff against another would increase the prosperity of the nations, and that it was a wise and practical thing for the great imperialist nations of Europe to stake out claims for themselves in Africa and Asia. These were the arguments used by practical men, and the present condition of the world is due to the principles which the practical men carried into effect; it is due to the fact that these practical men would not listen to the idealists, whom they dismissed as stupid, foolish and unwise.

It was Gladstone who said that the longer he lived the more he appreciated the value of the principle of liberty; and the longer I live and have a seat in this House the more I disapprove of the principle of restriction. When I listen to a man of real native ability, such as the leader of the opposition, fulminating in favour of restriction, as he has done for half or three quarters of an hour to-night, I am led to believe that his real idea of national prosperity would envisage himself mournfully sitting on a desert island surrounded by a sea so full of reefs that no ship could possibly inundate that country with waves of foreign goods, and with embargoes against
11 p.m. the export of raw materials, and with an immigration department whose chief object was to keep people out of the land. That it seems to me would be a condition which in his view would bring about great prosperity in this country. Now, I have a few words to say regarding his policy of keeping at home the raw products of a

nation. These products of the nation should be exported when there is a profit in exporting them, and those who own these products will have a better understanding of what it is profitable to export than could any government that you might conceive of. This idea, that governments should direct trade channels and trade currents, is one great fallacy that has done as much harm to the progress of humanity as almost any fallacy which has afflicted mankind. Suicide for Canada, the right hon. gentleman says. I say this to him, in all sincerity, that the surest way for the Dominion of Canada to commit suicide is to surround itself with policies of restriction either on goods coming in or on goods or power going out.

Addressing myself more nearly to what the right hon. gentleman said, I want to say just a word or two. He said that in eastern Canada the province of Quebec had perhaps one-third of forty million, or about thirteen million, horse-power, and he added that within twenty years that power would be all used up, because the lines of transmission could not go further than would bring power that could be all used in twenty years. May I tell him that at the present time the city of Montreal does not use up the water-power which is generated within a radius of thirty miles. There is the great power at Lachine and there is the power at Chambly, and I am told that these great powers are not in operation to-day, the water running to waste. The development is there but the water is not being used. One argument is that if we once allow power to be exported we shall not be able to stop that export hereafter. That is a mistake. The United States is not going to be dependent on our power. The amount of power from Canada that could be used by the United States is very small in comparison with all the horse-power generated in that country either by water development or by steam converted into electricity. There is a tremendous amount of power generated in the United States, and the amount that we shall supply at any time in the future will not be so very considerable as to force it to be taken into too great consideration. There is no difficulty in that direction and it is a mistake to harp upon that string. It seems to me that if there is any danger in our dealings with the United States it will be to follow a policy of dog in the manger, because that might excite retaliation. Reference is made to the Fordney tariff. What was responsible for the Fordney tariff? It was excited by the embargo on newsprint and by our foolish rejection of the reciprocity arrangement. The leader of the opposition has preached in this House a doctrine which I think is a somewhat mistaken one; he says that all the nations of the world are ruled and should be ruled by stark national selfishness. They should not think of the other fellow at all. What an extraordinary statement from a man who a few years ago said that Canada was prepared to bankrupt itself for the empire!

Mr. MEIGHEN: Would it not have been in our selfish interest to do that rather than to have been conquered?

Mr. McMASTER: If you put it on the ground of merely selfish interest, that is another argument. But I did not so understand the right hon. gentleman's words.

Mr. MEIGHEN: Read what I said and you will see that that is one of the grounds, and a strong one.

Mr. McMASTER: It was a ground that was not urged when my right hon. friend made patriotic statements.

Mr. MEIGHEN: Because I was misrepresented for political purposes.

Mr. McMASTER: The first time I had the pleasure of meeting the right hon. gentleman at Morrisburg in the fall of 1915 I know that such a sentiment was utterly absent from anything that he said on that occasion.

Mr. MEIGHEN: Your memory is weak.

Mr. McMASTER: If these are the ghosts which hon. gentlemen on this side of the House have raised, in connection with the possibility of retaliation from the United States, then I think the right hon. gentleman's own words may be compared to evil angels. On the whole, there is not much in the argument of my learned friend, and as the House is anxious that the question shall come to a vote I will not delay it longer.

Mr. SPEAKER: It is moved by Mr. LeSueur, seconded by Mr. Hanson:

That in the opinion of this House the export of hydro-electric power from Canada should be permitted only on yearly license, and that hereafter no license for export of power beyond that already granted should be issued except with the concurrence of the province or provinces in which it is proposed to develop such power and of any other provinces adjacent to such development and interested therein.

Amendment agreed to on division.

Mr. SPEAKER: The amendment has been agreed to. Therefore I do not now leave the chair unless another motion is made to that effect.

Mr. MACKENZIE KING: I move that Mr. Speaker do leave the chair forthwith for the House to resolve itself into committee of Supply.

Hon. CHARLES MARCIL (Bonaventure). Mr. Speaker, I want to crave the indulgence of the House for a few moments to refer to the interest that prevails in the province of Quebec at the present time with respect to the circulation through the newspapers of news items to the effect that a question which I had the honour to submit to the House during the course of last session had finally been settled. I refer to the inclusion in the Canadian National Railway system of the two Gaspesian railways, the Quebec Oriental and the Atlantic, Quebec and Western. These news items circulated from the capital have evoked considerable interest among the people whom I have the honour to represent, but I regret to say that as yet the question has not been solved in this satisfactory way. We hope, however, that before long a solution will be found. I am glad to be able to state that since the matter was last discussed in the House considerable headway has been effected. The Board of Railway Commissioners has visited the Gaspesian peninsula for the purpose of holding an investigation into the matter, and I had the honour in the month of October last of accompanying Mr. Justice McKeown and Mr. Commissioner Lawrence and their staff during the course of that investigation. The commissioners stopped at every station, listened to the representations of the people interested, and gave them encouragement to think that a solution might be brought about under the Railway Act. A few days after the opening of the present session the Prime Minister and three of his colleagues, the Minister of Railways (Mr. Graham), the Minister of Justice (Mr. Lapointe) and the Minister of Health (Mr. Beland), were kind enough to grant an interview with you Mr. Speaker, with the Premier of Quebec, represented by Hon. Mr. Perrault, His Lordship Bishop Ross of Gaspe and the leading people of that part of the country. The argument made by His Lordship Bishop Ross for the taking over of these railways by the government was that Sir Henry Thornton had come to a decision, based solely upon revenues and expenditures, without taking into account the general considerations which presumably would influence the government. Sir Henry Thornton had in effect made a proposal to the proprietors to take over their railways on certain conditions, which the latter did not think proper to accept. Therefore the deputation asked the Prime Minister and his colleagues if they could not find a solution for this long-standing problem. When these railways were completed in 1911 it was understood that the Laurier administration contemplated taking them over and merging them with the Intercolonial. An effort was made during the Borden regime to have this given effect to. When the late Mr. Cochrane introduced his measure for the inclusion of two hundred miles of branch lines with the Intercolonial railway, practically every line in New Brunswick was taken over, and one or two in Quebec, but these two lines were left to one side. During the war no progress was made in the matter, but when the new administration came into office in 1921 the people of the Gaspe peninsula felt that another effort should be made to secure for themselves some share of the benefits to which they were entitled. It must not be forgotten, Mr. Speaker, that the Gaspe peninsula is the oldest settlement in the Dominion; within a few years four centuries will have elapsed since Jacques Cartier landed at Gaspe. The people of the peninsula have contributed their share to the upbuilding of Canada, including the construction of the railway systems of this country, and they feel that they are entitled to that fair consideration which up to the present has not been extended to them. I am glad to know that through the breaking down of the discussion between Sir Henry Thornton and the proprietors of these two railways, another attempt is being made to try to bring the parties together through the good offices of Mr. Justice McKeown, who has been asked to express an opinion, as a result of the investigation he made of the lines, on what would be a fair and reasonable amount to be paid. The government takes the position that owing to the financial condition of the country it is out of the question for the Canadian National Railway system to buy the two railways, but that if Sir Henry Thornton was prepared to lease them on terms acceptable to the proprietors and the railway commission, probably the government would raise no objection.

I mention these facts, Mr. Speaker, and I wish to take this opportunity on behalf of my constituents of thanking the premier of Quebec and his colleagues for their active interest in the matter; His Eminence Cardinal Begin for the assistance he has given us; His Lordship Bishop Ross for speaking a good word for the peninsula, and the members of the legislature of Quebec, and others representing both sides of politics, and in fact representing the entire population of the peninsula, for the efforts they have made to help bring about a satisfactory settlement of this question. It is a wonder to-day to people visiting the Gaspe peninsula that these two isolated railways have been able to continue in operation so

long, and that it has not been possible long ago to merge them with the Canadian National Railway system. These two railways with the limited resources at their disposal have given a much improved service during the last two years, and the railway commission has made a very favourable report on their operating efficiency. But by the mere fact of being isolated, these two railways are unable to give those through rates to the inhabitants that would be possible if they formed part of the Canadian National Railways. They have to contend against water competition during six months of the year, and under the arrangement made at the time the railway subsidies were voted in 1911, they have carried the mails for the past fourteen years every day year in and year out through the long winter months for a distance of 130 miles along the dreary Gaspe coast without receiving one dollar from the government of Canada for the service. Notwithstanding this, the service has been kept up as best it could, but it has never answered the requirements of these two counties, and our industries have left us one after the other. The province of Quebec Lumber Association went over to Dalhousie, and the mills in Bonaventure have crossed over to Bathurst. An effort is now being made by Bishop Ross and the clergy of the province of Quebec to open up new agricultural areas in the Gaspe peninsula for the purpose of keeping the people at home. Our young Canadians there are now migrating to the cities and to the United States. We want them to remain on the homesteads, and be agriculturists as their fathers were before them. This Gaspe peninsula will never be peopled by other than those who inhabit that area or their descendants, for immigrants from Europe would never consider taking up land in the Gaspe peninsula. They would rather go into the more settled part of Canada or to western Canada. So we consider that every family leaving this Gaspe peninsula is a loss to Canada, and while we are spending money abroad for the purpose of bringing immigrants into this country, for want of proper industries, for want of proper facilities, for want of proper communication with the main markets of this country we are allowing these people to go away, and they will never return. The population of this county the first ten years I had the honour of representing it, at the time we had all these industries in Bonaventure, increased by some five thousand, but in the last decade, after these industries had left the county, our population dwindled, and the natural increase was only eight hundred. Now the time has come to bring about a solution of this difficulty. These companies are not anxious to carry on any longer. They are merely complying with the letter of the law, and nothing more.

Sir Henry Thornton has expressed his great optimism for the future of the Gaspe peninsula. He has visited the district himself. He knows the value of its timber limits of 10,000 square miles; he knows the value of its fisheries, he knows the value of its mineral, and he is willing, if an agreement can be brought about with these companies to take over these roads and operate them as part and parcel of the Canadian National system, as they were intended to be operated from their very inception, and as was announced here in 1884 in this House when at the request of Sir Hector Langevin and Sir Charles Tupper monies were voted for the building of a branch line of the Intercolonial from Matapedia to Gaspe, and as Sir Wilfrid Laurier said in 1911, that to make these railways pay they should be linked up with the Intercolonial. This has not been done, but the people of Gaspe have faith in the present administration; they have faith in the Minister of Railways; they have faith in the broadmindedness and patriotism of this House and government, and I hope that in speaking as I do, Mr. Speaker, I have not spoken in vain, but that the Canadian National will see that it is in its interest to take over these 200 miles of railway.

We are not asking for the construction of new railways, as we are obliged to vote new branch lines for the west; we are merely asking that 200 miles of constructed railway to which the Dominion of Canada and the province of Quebec have contributed in land and money subsidies to the extent of four million dollars be so utilized as to give those people fair and untrammelled access at reasonable rates to the central markets of the country. Sir Henry Thornton has declared that if he took over these railroads to-morrow he would have to cut down the railway rates 25 per cent, which is an admission that the people of Bonaventure and Gaspe have been paying rates on their products for many years past 25 per cent above what is paid on the main line of the Canadian National railway.

I shall say no more, but for all these reasons, Mr. Speaker, I hope that when this report is received from Mr. Justice McKeown, if an agreement can be brought about between Sir Henry Thornton and these two companies, the government of Canada will seize the opportunity for the purpose of bringing about a solution of this long standing trouble.

Motion agreed to.

SUPPLY

PUBLIC WORKS

The House in committee of Supply, Mr. Gordon in the chair.

For operation and maintenance of inspection boats, $16,000.

Mr. STEVENS: What is that vote?

Hon. J. H. KING (Kootenay, Minister of Public Works): It is the usual item. These boats are maintained and operated for the use of the staff in the engineering districts engaged on inspectional work.

Item agreed to.

Maintenance and operation of water storage dams on Ottawa river and tributaries, surveys in connection therewith and settlement of land damages, $35,000.

Mr. STEVENS: This is an old-standing expenditure. Is it a necessary one each year; is it for renewals?

Mr. KING (Kootenay): It is an old expenditure. It is required for the maintenance and operation and dams and sluiceways at points on the Ottawa river and its tributaries. The object is to store the spring floods and augment the low water flows, thus equalizing the run-off of the Ottawa valley throughout the year. This also necessitates the purchase of lands damaged by maintaining reservoir surfaces at high stage during the summer and autumn. For the maintenance and operation of the Timiskaming dam, $7,000 is required; for the maintenance of Quinze dam, $9,000; for reinforced concrete slab and cut-off wall and rockfill at Timiskaming dam, $13,000; to pay land damages and other claims in connection with the Ottawa river storage, $6,000, making a total of $35,000.

Mr. HANSON: I never could understand why the government of Canada should spend so much money for the assistance of the lumbermen on the Ottawa river.

Mr. KING (Kootenay): It is not for the lumbermen necessarily.

Mr. HANSON: I have understood that all this expenditure for sluiceways and dams on the Ottawa river was for the express purpose of helping to drive the logs on the river. Is there any other river in the whole Dominion where an expenditure of a similar character is made for a similar purpose? On the river St. John, and on the St. Croix, which is an international river, and upon all the other rivers that I know of the lumbermen have to provide these facilities for themselves.

Mr. KING (Kootenay): My hon. friend is under a misconception. As a matter of fact, this item is largely for the purpose of maintaining the Timiskaming and Quinze dams. It is rather in the interests of navigation than to assist the lumbermen in their log driving.

Mr. HANSON: I would suggest then, that it is in the interest of the power companies.

Mr. KING (Kootenay): And navigation.

Mr. HANSON: The power companies on the Ottawa river are very wealthy companies. Just recently the Ottawa and Hull company was re-financing bonds to the extent of millions of dollars, from which the proprietors of the old company receive very handsome sums of money. My objection to the whole scheme is that this is not a matter of Dominion concern. Navigation on the lower stretch of the Ottawa river cannot be assisted to any great extent by expenditures of this character. I think it will be found, and I know something of the history of this matter from a former Minister of Public Works in a former government, that the original expenditure was in the interest of the lumbering business. Now it is said to be in the interest of the power company, and I object to the expenditure on that ground.

Item agreed to.

Monument of Sir Wilfrid Laurier, $25,000.

Mr. STEVENS: Has there been a final award yet?

Mr. KING (Kootenay): Yes. The final award has been made to Mr. Brunet of Montreal. He is in Paris now, I think, engaged on the model.

Mr. HANSON: Where is it proposed to locate the monument?

Mr. KING (Kootenay): At the corner of the terrace of the East Block overlooking Connaught Square.

Item agreed to.

National Gallery of Canada, $75,000.

Mr. STEVENS: Is this the National Art Gallery?

Mr. KING (Kootenay): Yes.

Mr. STEVENS: I should like to bring to the attention of the minister very briefly, and I must not delay the committee unduly, a complaint that has reached me against the Board of Governors, or whatever they are called, that there is discrimination against artists at outside points, and I am speaking now more particularly of some of the artists in British Columbia, with, I think, almost an

international reputation. My hon. friend will recall the names without my making any particular distinction. Some that have won great distinction because of their works of art have been unable to get their paintings included in the National Art Gallery. The point I wish to draw to the minister's attention is this: I quite approve of the general principle of very careful choice in works of art, and I know that requires men of experience, knowledge and technique; but I think the National Gallery should, as far as possible, and without doing violence to this principle, have a representation of all sections of the Dominion. A work of art that might portray, for instance, a Pacific coast scene might be different from some eastern scene, but still it would be a contribution to the art gallery. The same thing might be said of an Indian picture from some distant part of the country. While in itself it might not be quite equal to a picture from the brush of an eastern artist, nevertheless it portrays as the artist sees it the life of that community, crude though it may be, and such pictures should be preserved in the National Gallery. I merely want to suggest to the minister that care should be taken that the administration of the National Art Gallery should be impartial, and that the chief object of portraying the life and scenery of the Dominion should be adhered to as much possible.

Item agreed to.

National monument on Connaught Place, $10,000.

Mr. HANSON: This is a re-vote. What progress has been made with this work?

Mr. KING (Kootenay): We have asked for competitive designs and are receiving responses from various artists throughout the empire. I think the competition closed on June 11.

Item agreed to.

Graving docks, $149,600; harbour and river works etc., $59,170; collection of Public Works revenues, $4,000; total..	$212,770
Champlain graving dock..	70,200
Lorne graving dock..	33,400
Esquimalt graving dock..	22,000
New Esquimalt dry dock..	24,000

Mr. HANSON: Where are these docks located?

Mr. KING (Kootenay): At Esquimalt, and Levis, and there is the Selkirk repair slip. There are two graving docks at Levis.

Mr. STEVENS: Is there any revenue from these docks to cover this expenditure?

Mr. KING (Kootenay): In some cases the revenue exceeds the expenditure. Take the Esquimalt graving dock for which we are asking a vote of $22 000. The revenue in 1924 amounted to $33.655, and in 1923 to $21,041. In the case of the Champlain dock at Levis we are asking for a vote of $70,200. The fees collected from this dock amounted to $59,881 in 1924 and $43,491 in 1923. In the case of the Lorne graving dock the fees collected were $22,376, and we are asking for a vote of $33,400. The Esquimalt dock is the one that has probably given us the best returns.

Item agreed to.

Edmundston—public building, $57,000.

Mr. HANSON: I should like to ask the minister about this expenditure. Has not the site been acquired?

Mr. KING (Kootenay): Yes.

Mr. HANSON: Has the contract been let and if so to whom, from whom was it purchased, and who is the contractor for the erection of the structure?

Mr. KING (Kootenay): The contract was let in November, 1924, to John Flood Sons, St. John, the price being $55,112. An order was passed on 17th August, 1923; a site having a frontage of 66 feet on Canada street by a depth of 110 feet on Church street, was purchased from Mr. L. A. Dugal for the sum of $8,000.

Mr. HANSON: What is the nature of the building? Is it a custom house as well as an immigration office?

Mr. KING (Kootenay): Yes.

Mr. HANSON: The site from the standpoint of immigration and customs is not a good one. It is a good site for a post office, but it is not near the international bridge, and I think you will have to maintain a station at the end of the bridge as well, unless the government put into effect their new smuggling regulations.

Mr. KING (Kootenay): It was not possible to secure a site at the bridge for a building of this character, and they have a small building at the bridge for an immigration officer, and he spends his time there.

Mr. HANSON: The site of the post office was not determined especially by public convenience. It was entirely a matter of political expediency. Mr. L. A. Dugal, the big political boss in that city, had a site to sell.

Item agreed to.

Moncton—public building, $50,000.

Mr. HANSON: Has the site for this building been selected?

Mr. KING (Kootenay): No.

Mr. HANSON: There is another case where a political boss in the district has a site to sell. Mr. Reid McManus, a member of the legislature and a candidate in the approaching election, is very anxious to sell this site which is not suitable to the business people. Has it been determined to select this site east of the subway? Because that is where the board of trade and business people of Moncton want the post office, not west of the subway.

Mr. KING (Kootenay): The whole matter is being carefully considered by the department. A number of sites have been suggested. They vary in price. The matter of it being east or west of the subway would be one for careful consideration, I would think. It is true that the business men in the business section would like to see the post office down there, whereas a large number of residents and citizens of Moncton are of opinion it should be beyond the subway, or west. The whole matter is being canvassed.

Mr. HANSON: Has the board of trade made representations as to a site west of the subway?

Mr. KING (Kootenay): I do not know which is east or west.

Mr. HANSON: They have protested against the suggested site have they not?

Mr. KING (Kootenay): They have protested against the site west of the subway. There are two or three sites west of the subway.

Mr. HANSON: The government owns sites west of the subway which would be preferable to the McManus site.

Mr. KING (Kootenay): Not very suitable.

Mr. HANSON: It is possible land may be required for railway purposes, but in the expropriation made for the subway itself there is a considerable quantity of land suitable for small buildings, and I have understood, failing to get the office located east of the subway, that would be preferable from the standpoint of the business people, instead of the one which the government is being urged to adopt.

Item agreed to.

Montague—public building—alterations and improvements, $5,000.

Mr. HANSON: How much was spent on this work last year, if any?

Mr. KING (Kootenay): Last year there was an expenditure in the construction of concrete retaining wall, approximately 78 feet in length by 13 feet in height, along the front of the building, under contract with Mr. J. P. Beer, for the sum of $1,675. Alterations on the second floor of the building and in the caretaker's quarters, are under contract with Mr. Garrick for the sum of $3,032. There is a contract with Mr. W. Garrick for the installation of a new hot water boiler for the sum of $465, and a contract for the construction of a sewer, with Mr. R. K. Clements for the sum of $785, making a total of $5,957.

Item agreed to.

Dominion public buildings—improvements, repairs, etc., $43,000.

Mr. BAXTER: I wish to ask a question which has really no relation to the item, but perhaps the minister would answer it under this head. What is the intention of the government with regard to closing the breakwater at Partridge island? This was under discussion before and tenders were called for, but so far nothing has been done. I should like to know the policy of the department.

Mr. KING (Kootenay): That matter is under consideration. We have not placed an item in the estimates for the construction, and the matter is now receiving the consideration of the government. I think that is as far as I can go with my hon. friend.

Item agreed to.

Loretteville—public building, $27,000.

Mr. STEVENS: Is this under contract?

Mr. KING (Kootenay): Yes, this is under contract. An order in council was passed on the 22nd December 1924, accepting the tender of J. B. Jinchereau et Fils of Quebec at $22,000.

Item agreed to.

Montreal—Bonaventure station—electric tractor, $3,000.

Mr. STEVENS: Why should this item be put in the estimates? Why should it not be paid for by the railway?

Mr. KING (Kootenay): We purchase these tractors for the Post Office Department, and they are used for transporting the mail bags from one side of the building to the other.

Mr. STEVENS: Is this done with the Canadian National railway?

Mr. KING (Kootenay): This is done at the request of the deputy postmaster general for the handling of mail at the Bonaventure station.

Mr. STEVENS: It should be charged to Post Office Department.

Mr. KING (Kootenay): Yes.

Item agreed to.

Montreal—new examining warehouse—improvements and alterations, $12,000.

Mr. WARD: What is this warehouse for?

Mr. KING (Kootenay): It is for the Customs department in the examination of goods.

Item agreed to.

Montreal—postal station in St. Denis division, $50,000

Mr. HANSON: This is a new vote.

Mr. KING (Kootenay): Yes.

Mr. HANSON: How many subdivisions of the post office are there in Montreal and where are they located?

Mr. KING (Kootenay): There are eight or ten. I am not quite certain of the number. This is a new station and this amount is required to complete payment of the building situated on the west side of St. Denis street, purchased from Mr. G. H. Robert for the sum of $24,225, and also to provide for remodelling the building for postal purposes. The figures are as follows:

Purchase of building..	$24,225
Remodelling building..	40,000
Contingencies..	775
Total..	$65,000

The estimate required for this year is $50,000.

Mr. HANSON: Was this purchased at a private sale or was it expropriated? Was it at the request of the Post Office Department?

Mr. KING (Kootenay): At the resuest of the Post Office Department. It was a private sale.

Mr. HANSON: Did the department have an independent appraisement made?

Mr. KING (Kootenay): Yes.

Item agreed to.

Montreal—Postal station in St. Ann's division, $37,000

Mr. HANSON: Is this a new postal station?

Mr. KING (Kootenay): Yes. This amount is required to complete the erection of a public building on Church avenue for postal and customs purposes. It will be a two-storey brick structure with dimensions of fifty feet by sixty feet, and the estimated cost is placed at $47,000. The lowest tender was $37,000.

Item agreed to.

Montreal—towards purchase of Lavut building for postal station "G", $13,900.

Mr. HANSON: Is this another new postal station in Montreal? It seems to me they are expanding there very rapidly.

Mr. KING (Kootenay): Yes. This amount is required as a third payment on the purchase price of the Lavut building, situated on Pine street, between Arcade and Guilbault streets in the city of Montreal for the accommodation of postal station "G".

Item agreed to.

Ontario—Dominion public buildings—improvements, repairs, et cetera, $115,000.

Mr. SPENCE: Where is this $115,000 going to be expended?

Mr. KING (Kootenay): This amount is required for renewals, improvements and repairs in connection with Dominion public buildings in Ontario, including those in the city of Toronto for which in previous years special appropriations were taken. As regards the repairs for this year, I could not give my hon. friend the list. That will develop as the season advances and as the officials report as to the necessities. The expenditures last year ran to many items varying from as low as forty dollars, to the Hamilton post office, $18,000, London Grand Trunk station mail room, $72, London Chapter House, National Defence, $5,197. It is a long list as my hon. friend will see.

Mr. HANSON: Why are there so many postal substations in Montreal, when I understand there are only five in Toronto? In area the city of Toronto must be nearly commensurate with that of the city of Montreal, and I understand the revenue in Toronto far surpasses that of Montreal. Why are more postal facilities supplied in Montreal than in Toronto? Why this discrimination against Tory Toronto?

Mr. KING (Kootenay): They are established on the recommendation of the Post Office officials and the advice of the Postmaster General.

Mr. SPENCE: There seems to be very little for Toronto. I see only one for the Department of Agriculture, a building for the Seed branch at Toronto.

Mr. KING (Kootenay): I hope this will be sufficient to take care of the needs of Toronto for this year.

Mr. SPENCE: There are items in here for Quebec, New Brunswick, Nova Scotia and nothing for Toronto. We need public buildings just as badly as they do.

Mr. WARD: Looking down the list, I notice we have Hamilton public building, Kingston public building, Kitchener public building, Napanee public building besides this item for Dominion public buildings. It is somewhat confusing to some of us.

The CHAIRMAN: The first item is Dominion public buildings, improvements and repairs only, not construction.

Mr. WARD: But I was asking the minister why there should be this first item simply of public buildings and then later on we find a number of places with large votes for public buildings. What is the difference?

Mr. KING (Kootenay): These are known requirements. We know that at Napanee the heating and plumbing service will require an expenditure this year, and that is placed in the estimates. There may be a development in one of these stations during this summer. The engineer or the architect may report that the heating apparatus is out of condition and should be renewed. This vote would take care of a condition of that kind.

Item agreed to.

Haileybury—to pay to the municipal authorities the amount of fire insurance on armoury for the erection of a community hall.

Mr. HANSON: This vote requires some explanation. I think I remember something about it a year ago. What is the present status of this vote and what is the necessity of it? It seems to me it is intended to make a gift to the community as a result of a fire.

Mr. KING (Kootenay): At the time of the fire in Haileybury the government had an armoury building which they had rented to the municipality to be used for recreation purposes. The citizens had insured the building to an amount of $33,500. When the building was destroyed, the insurance fell due and was paid into the consoldiated revenue fund. Naturally, the people of Haileybury were desirous that the government should reconstruct an armoury or a building of that type that would be again useful for their purposes. We took the view that probably what would be more serviceable would be a post office and customs building. We carried the vote, I think, for two years on the understanding that that would be what would be done. The citizens of Haileybury, however, objected very strenuously to that; the matter was considered very carefully, and finally it was agreed that this money which resulted from the insurance obtained on the building, would be placed at their disposal in order that they might erect a community hall or building that would be suitable for their purposes. The government will not have an armoury there, but we shall have an arrangement with the community whereby the local military units will have accommodation in that hall.

Mr. HANSON: Who paid the insurance premium?

Mr. KING (Kootenay): They did.

Mr. HANSON: Who will have title to the new community hall?

Mr. KING (Kootenay): I think they would like the title, but I do not know whether they will get it.

Mr. STEWART (Leeds): I suppose the minister knows that in Ontario there is provincial legislation covering this field. It would be rather a dangerous departure for this government to undertake the construction of community halls, and I do not see that any good ground has been shown for the vote.

Mr. GRAHAM: I happened to be in the Department of National Defence when the transaction took place. The town of Haileybury paid the insurance premiums, insuring the building; and when the money came in I accepted the cheque but was obliged to hand it over to the Receiver General. I doubt whether there is any similar situation anywhere in Ontario. Haileybury is simply asking that the insurance money be used to construct a building which they want. The Dominion does not insure buildings as a general rule; it does so only in exceptional cases. In this case the town paid the premiums itself and it handed over the insurance money, $33,500, rather reluctantly, although there was nothing for it to do but that. At that time I thought that we should be in a position to erect a post office building or something of that kind, but apparently that is not what they want; they want a hall which they can use for the same purposes as they used the drill hall before. I think it is a fair propostion, and I assented to it with the mayor of Haileybury.

Mr. STEWART (Leeds): I presume that Haileybury paid the insurance in the form of rental for the use of the building, and the hazard was thereby increased. It is not usual for a community to make arrangements for the rental of an armoury or other public build-

ing and pay the insurance, because the risk is increased the moment the building is put to private uses. It seems to me that the Dominion should own and control any building which they erect out of the public money, and then if they desired to make an arrangement for the rental of it by the town they could do so.

Mr. KING (Kootenay): To construct a building similar to the one they had would cost us considerably more than $33,000. I think it would involve us in an expenditure of $75,000 or thereabouts and the department would not feel justified in spending that amount. The town is not agreeable to having a post office and I do not see any reason why we should force a public building on them. There is no doubt that the town suffered a catastrophe and at the time there was a general feeling to be generous to its inhabitants. I know that the provincial government of Ontario was liberal in its treatment of them; it immediately constructed a new public building in the town and the general desire was to stimulate the people and in that way show them that there was faith in the community. If the new building is located on land owned by the government we shall see to it that the title remains in the crown. Indeed, I fancy that is what will be done; and we should also have some provision made for the accommodation of the local military unit.

12 m.

Mr. STEWART (Leeds): Have any plans been drawn up?

Mr. KING (Kootenay): The plans have not yet been developed.

Mr. STEWART (Leeds): Is the town contributing towards the cost or is the Dominion bearing the whole of it?

Mr. KING (Kootenay): We are simply paying the insurance money.

Mr. STEWART (Leeds): How much is the building to cost?

Mr. KING (Kootenay): We are not committing ourselves to more than $33,500. If the citizens want to construct a better building they will have to provide the extra money themselves.

Mr. STEWART (Leeds): Does the minister know whether they propose to put up a better building?

Mr. KING (Kootenay): I do not know.

Mr. HANSON: I do not understand the mentality of a community that rejects the offer for the erection of a public building in the form of a post office. Is it that they are in hopes of getting the $33,000 and a new building besides?

Mr. KING (Kootenay): No.

Mr. HANSON: The minister will find that is what will happen. What post office accommodation is there in that town now?

Mr. KING (Kootenay): The building is rented.

Mr. HANSON: The minister will find when he parts with this money that there will be a demand in due course for a public building at a cost of probably $100,000. He should insist that the money go into a post office, and then it would be for the greatest good of the greatest number and would save the country considerable expenditures later on.

Mr. STEWART (Leeds): Is it proposed to construct the new building on the site occupied by the one destroyed?

Mr. KING (Kootenay): I fancy that would be the intention, but they have not submitted their plans to us yet. Considering the whole situation carefully, the government, not desiring to become involved in an expenditure of probably $75,000, and taking into account the fact that the people did not desire a public building, decided that this would be the best way of clearing the matter up.

Mr. STEWART (Leeds): Does the minister say that he does not know whether the money is to be expended in a building to be erected on land owned by the Dominion?

Mr. KING (Kootenay): The plans have not been settled definitely yet.

Mr. STEWART (Leeds): Should not the site be conveyed to the Dominion?

Mr. KING (Kootenay): The site belongs to us.

Mr. STEWART (Leeds): And the minister does not know whether or not they propose to build on that site.

Mr. KING (Kootenay): I have not seen the committee for months. At the time I consulted with them I refused to consider anything but a public building, but later on I decided that in view of all the circumstances the way now proposed was the best means of settling the matter.

Mr. HANSON: This is an unusual vote, as I think the minister will agree, and he will find that he is establishing a rather dangerous precedent; for if this vote carries the government will have to hand out a cheque

to the municipality of Haileybury, and there will be no string to it. The money may be diverted to any purpose to which the municipality may see fit to put it.

Mr .KING (Kootenay): There is no fear of that.

Mr. HANSON: The vote as it stands does not safeguard the public interest in that respect. I suppose that in equity, if they diverted the money to some other purpose, the government might perhaps recover from the municipality; but they would have some difficulty in doing so. I would suggest that the minister take mighty good care that none of the money shall be paid out until there is a binding contract with the municipality that it shall be diverted to no other purpose. I want to assure the minister that there are communities in other parts of the country that would like to have similar government assistance, and demands will be made on his department from now on for such a system. He can take fair warning that this is what will happen as a result of this precedent.

Mr. CAMPBELL: What became of the $35,000 voted last year?

Mr. KING (Kootenay): It was not expended at all.

Mr. CAMPBELL: Are there no definite plans as to the type of building to be erected, and how it is to be controlled? It does seem rather a remarkable situation.

Mr. KING (Kootenay): We have not developed any plans. As I said before, our original idea was to construct a post office building, but the municipal authorities have requested that the money be voted for the erection of a community hall. Before any payments are made to them they will have to submit plans, and an agreement will have to be entered into. I am trying to guard the Dominion against any further expenditure than $33,500.

Mr. HANSON: Have they made a request that the government shall erect a public building in addition to this?

Mr. KING (Kootenay): No, that has not been discussed with them.

Mr. WOODSWORTH: Mr. Chairman, it does seem to me a most anomalous situation. I think it is an admirable thing to erect a community hall—personally I am glad it is to be that instead of an armoury—but I cannot see why Haileybury should have a community hall any more than five hundred other places in this country should have similar accommodation. The reasons which the minister has advanced are by no means convincing. They seem to be based simply on some indefinite claim that Haileybury has to this $33,000. Apparently the only basis for the claim is that they paid the insurance which, as we have been told, was paid apparently as rent. That was over and done with when the building was burned down. It would seem to me that naturally the $33,000 insurance would revert to the Dominion government and should remain in the treasury until such time as it is needed in some particular place. I cannot see any special claim that Haileybury has upon this money simply because there was a temporary arrangement with regard to the former building.

Mr. GRAHAM: Surely the hon. gentleman does not understand the situation here. Fire destroyed the town and everybody came to its aid—provincial and Dominion authorities, the Red Cross and other associations, and the public. It was decided that the least the government could do would be to replace the building burned down and leave the town in its former position. The Minister of Public Works is not going that far. He is merely contributing $33,500 to the erection of a building which, if he undertook to replace the old building, would cost the people of Canada twice as much. We are really saving $40,000 by handing back to Haileybury the insurance which was kept up by the municipality. I think it is most reasonable that in order to encourage the people to rebuild in Haileybury we should at least set them an example.

Mr. STEWART (Leeds): Mr. Chairman, I cannot agree with the argument of the Minister of Railways (Mr. Graham), for the reason that I do not think there is any obligation on the Dominion to rebuild.

Mr. KING (Kootenay): I do not think so either.

Mr. GRAHAM: There is no legal obligation at all.

Mr. STEWART (Leeds): It is proposed to hand this money over to the town of Haileybury to expend on a building which will belong to them, whereas the former building was the property of the Dominion. I submit that the title should remain in the Dominion.

Item agreed to.

Hamilton armouries—local improvement taxes, $3,397.56.

Mr. HANSON: Does the government pay local improvement taxes?

Mr. KING (Kootenay): As a matter of grace we do in many cases where the municipality are making improvements.

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

Mr. STEVENS: Or else you do the paving yourself.

Mr. KING (Kootenay): Yes.

Item agreed to.

Kitchener public building—addition, $30,000.

Mr. HANSON: This is a new vote.

Mr. KING (Kootenay): This is required for enlarging the existing building. The work was requested by the general superintendent of the postal service in a letter of October 11, 1923:

In regard to additional accommodation at Kitchener, Ontario, I wish to inform you that this office is congested to an almost unworkable degree. The department therefore requests that an item be placed in the estimates for the next fiscal year to cover the cost of the additional accommodation.

Item agreed to.

Ottawa—departmental buildings—fittings, etc., $60,000.

Mr. HANSON: Is this the usual vote?

Mr. KING (Kootenay): Yes. This is required for the purchase and installation of metal filing cases, shelving and other fittings in the parliamentary and departmental offices at Ottawa. In 1917-18 the expenditure was $74,000; in 1921-22, $88,000; last year $56,000.

Mr. HANSON: Are these fittings purchased by tender?

Mr. KING (Kootenay): Yes.

Mr. HANSON: I notice that most of the fittings in this building were purchased from the Office Supply Company. They make very good stuff, but they are very expensive. My experience is that you can do very much better with other concerns. Who supplied the fittings last year?

Mr. KING (Kootenay): The chief manufacturers are the Office Specialty Company and the Steel Equipment Company. They both supplied fittings last year.

Item agreed to.

Ottawa—Rideau Hall—alterations and improvements, $14,000.

Mr. CAMPBELL: Can the minister give us the amount spent on alterations and improvements to Rideau Hall within the last ten years, or if he has not those figures, what has been spent in recent years?

Mr. KING (Kootenay): I have not the figures for the last ten years. The expenditure this year is required for the construction of a new greenhouse between the palmhouse and the residence, also to pay the balance due on construction of the palmhouse. The estimated cost of the greenhouse is $8,600; heating apparatus, $1,600; benches for flowers in greenhouse, $1,200. The balance due on the palmhouse and improvements to heating system amount to $1,580, and contingencies, $520.

Mr. IRVINE: I understand that the term of the present Governor General is drawing to a close. This might be a good time for us to abolish Government House altogether. I notice that in Alberta they have abolished the Government House, and I think perhaps it is a good thing to do. However, if it is to be maintained, I hope that we shall have the office filled with a Canadian-born Governor General, not that I have any reflection to cast on any Governor General, but if the office is to be maintained, I hope it will be filled by a Canadian.

Mr. HANSON: Mr. Chairman, I do not think we ought to let that statement pass unchallenged. I would like to know how it would be possible to select a Canadian Governor General under the present party system of this country, and who would be satisfied with the selection? The "ins" might be satisfied, but the "outs" certainly would not. The main reason however, for continuing this office, is that the Governor General is the one great connecting link between the people of Canada and the Crown of Great Britain, and I hope the present method of selection will never be changed or the office abolished.

Mr. GRAHAM: I feel there ought to be a word said about that myself. The present occupant of the office of Governor General is one—

Sir HENRY DRAYTON: One of the real men.

Mr. GRAHAM: I call him a real man, not standing on a pedestal at all, but down among the people. He has visited every part of the Dominion of Canada, and both he and Lady Byng have become of us and with us in a way that is commendable to all the people on this side of the ocean, and on the other side. It is disappointing to a great many of us that they could not see their way clear to remain for another term. His Excellency starts to-morrow on a trip up to the northern

hinterland of Canada, and when he goes back to London, he will prove to be one of the greatest advocates of Canada that she has ever had, not from any superficial knowledge of the country, but because of a very intimate knowledge obtained by meeting the people in every part of this great Dominion. He does not meet them in state, but on these trips he meets them in heart to heart talk and in hand in hand conversation. He knows the aspirations of the Canadian people in the lower as well as in the higher walks of life, If they continue to send men to us like the present Governor General, Canada may be proud and more than satisfied at the present mode of selection.

Mr. WOODSWORTH: Since the Minister of Railways has just made reference to the advisability of consulting the various classes in Canada, I should like to suggest that there are at least some classes in this country who are not highly satisfied with maintaining an office of this kind. I have no word of criticism whatever with regard to the present occupant of that office; I am speaking solely of the office itself, of the effect it has in this country, and of the expenditure that is involved. Although it may help to unite us to Great Britain, and I am not suggesting that we should sever in any way that union, there is not the slightest doubt that it does tend to perpetuate certain class distinctions in this country that are foreign to the essential democracy which had existed here in the earlier years, and which some of us would like to see perpetuated. It is all very well to talk about the Governor General knowing all classes of people, but to no small extent a miniature court is maintained here for the sake of a comparatively small group of people in the city of Ottawa and others who may be able to travel here on special occasions. I think that is being felt throughout Canada by a large number of those people across the country who the Minister of Railways said it is well should be consulted in matters of this kind.

Further than that, in a large number of our papers within the last year or two there have been estimates made as to the expenditure involved in the upkeep of this particular office. It is very difficult to know just what these expenditures are, because they are scattered among so many items in different parts of the estimates. I should say the expenditure is somewhere near $300,000, which is very directly required in connection with the upkeep of this office. In addition to that, we should include interest on the money invested in Rideau Hall, and we then have an expenditure of about $500,000 a year for this one official. Now one might imagine that this little country of Canada, large in geographical area, but very small in population, and very small in resources, ought at this time to pay some little attention to these huge amounts that are being thrown around on every hand. I urge, Mr. Chairman, that the time has come when we should begin to economize along those lines that are at least essential to the real welfare of the great masses of the people.

Further, may I say a few words with regard to the selection of a new Governor General. None of us like to speak about the matter when the new Governor General has actually been appointed, but now, when no one is apparently in sight, so far as we are informed, why not consider the type of person to be appointed to that office? I would join with one or two others who have spoken in suggesting that we might very well abolish that office here in Canada. I cannot see why the Chief Justice might not fulfil the formal functions that are now filled by the Governor General. If we must have a Governor General in Canada, why should he not be a Canadian? It seems to me that if we are so reduced by our party squabbles in this country that we cannot manage to unite in selecting some outstanding Canadian who would fitly occupy a position of that kind, then the future of this country is dark indeed. Surely there are individuals in Canada who could adequately fill an office of this kind. I cannot see why if we pride ourselves, as we sometimes do, on being one of the independent members of the commonwealth of British people, we should continue to occupy a position which is essentially one of subserviency to the Mother Country.

Then again, if we are to have a representative from the Old Country, I do not know why we ought always select someone from the nobility, or from the nearest approach to the nobility that we can find. We have had within the past year or so the rise of a new democracy in the Old Land. We have seen for a short time occupying office in the Old Country the Labour party. I do not know whether they are coming back to office in the near future; I think they will at no distant future. But in any case why should we not have a representative of what might be termed the common people, rather than have sent over to us one who represents the aristocracy? We have claimed in this country to belong to the common people. We consist very largely of ordinary business people, far-

mers and labouring people. Why should we have sent to us individuals who belong to another type, who are the survivors of the feudalism of the Old Land, which we have tried to get rid of on this North American continent? I should like to suggest that when the government is making any suggestions, or however this matter is arranged, these considerations might very well be kept in mind, and thus we might try to bring our institutions a little more into harmony with the ideals that are generally prevalent throughout Canada.

Mr. STEVENS: Much as I would like to take part in a discussion such as we have listened to, I was going to suggest, Mr. Chairman, that we are far away from the item, and as I have always tried to observe the rules with very great care, I feel it my duty to keep within the bounds of this vote. I want to make a suggestion that I think will help out somewhat. I want to suggest to the government that as the hour is getting late, the committee should rise, I would have no objection personally if the committee would agree to the balance of the items of this one vote passing, and then rising. I understand the Minister of Railways desires to move a private bill, which I think is quite proper. If the committee would agree, I would suggest that we might let the balance of this vote pass and then adjourn. I think we have done a good day's work.

Mr. KING (Kootenay): That includes all the items for Ontario?

Item agreed to.

The CHAIRMAN: Is it the pleasure of the committee that the other items in this vote shall pass? Carried.

Ottawa—towards purchase of Daly building	$136,000
Ottawa—towards purchase of building for government workshops	14,400
Port Colborne—public building	25,000
Sandwich—public building—improvements to heating	1,100
Toronto—building for Seed branch	45,000

Sir HENRY DRAYTON: I think before we carry that, this is a fitting time for the minister to give us particulars of what he is doing in the general re-letting of offices in Toronto in connection with the new building.

The CHAIRMAN: That does not come under this vote.

Sir HENRY DRAYTON: Oh yes.

The CHAIRMAN: No.

Sir HENRY DRAYTON: I do not think we will have much trouble about that.

The CHAIRMAN: There is just the one item for the Seed branch building.

[Mr. Woodsworth.]

Sir HENRY DRAYTON: I am going to ask in connection with the question as to the Seed branch building whether there are not a lot of other buildings of far more pressing importance. We are not getting our post office according to the newspapers, but the government is going to do a whole lot of renting in the new building. Can the minister tell us all about this new building at the corner of King and Yonge streets? It will not take a minute.

Mr. GRAHAM: I cannot add anything to what I said the other day.

Sir HENRY DRAYTON: There is no further progress?

Mr. GRAHAM: No.

Items agreed to.

Progress reported.

PRIVATE BILLS

CALGARY AND FERNIE RAILWAY COMPANY

Mr. GRAHAM moved that the House revert to the order of private bills.

Motion agreed to.

Mr. A. B. HUDSON (South Winnipeg) moved the second reading of Bill 184, respecting the Calgary and Fernie Railway Company.

Mr. JOS. T. SHAW (West Calgary): I should like to know by what authority we are reverting to private bills at this time of night.

Mr. DEPUTY SPEAKER: Under rule 36 the order may be read upon the motion of an hon. member, and put by the Chair. I may say that the reason for this procedure is that the select standing committee on railways and canals is meeting on Wednesday and forty-eight hours' notice is required before a bill can go from the House to the committee. Unless the second reading takes place now this bill will not come before the committee on that day, and extra sittings of the committee will be required.

Mr. SHAW: When this bill came up a few nights ago I asked for information in connection with it, but the hon. gentleman who is promoting the measure was not in the House on that occasion. I have received absolutely no notice of this motion at all and consequently I have not before me the documents which I intend to use in opposing this particular measure. I ask therefore that the motion stand.

Mr. GRAHAM: If the hon. gentleman persists in his objection it may mean the killing of the bill.

Mr. SHAW: I think it should be killed.

Mr. GRAHAM: The practice generally is to allow a railway bill to go to the committee where all parties can be heard either in its favour or against it. All we are trying to do with this bill is to advance it a stage so that it can go to the Railway committee which is the forum fixed by parliament for investigating all details in connection with such as measure as this.

Mr. SHAW: If I understand the rules of the House correctly the principle of a bill is approved on the second reading. If the Minister of Railways is prepared to allow this bill to go to the committee on the first reading, then I will raise no objection.

Mr. GRAHAM: This is the second reading. The bill cannot go to the committee on the first reading.

Mr. STEVENS: The bill has already had its first reading.

Mr. SHAW: I know it has had its first reading, but the point is that the principle is approved on the second reading, and I am not prepared to approve it at all.

Sir HENRY DRAYTON: Suppose the Minister of Railways consents that my hon. friend's objections can be reserved and that we are not committing ourselves to the principle of the bill at all but just sending it to the committee—would the minister agree to that?

Mr. GRAHAM: Surely. Many a bill goes to the committee that never comes back.

Sir HENRY DRAYTON: The point of the hon. member for West Calgary (Mr. Shaw) is very simple. He says "I have not my papers and I need to be in possession of them when I object to the principle of the bill." The usual practice is to object to the principle on the motion for the second reading, but supposing the hon. member says; "I will be prepared to advance my reasons at the meeting of the Railway committee"—surely my hon. friend will consent to that course being taken.

Mr. SHAW: Surely.

Motion agreed to, bill read the second time and referred to the Select standing committee of Railways, Canals and Telegraph lines.

CANADIAN PACIFIC RAILWAY COMPANY

Mr. GRAHAM (for Mr. Hopkins) moved the second reading of Bill No. 187, from the Senate, respecting the Canadian Pacific Railway Company.

Motion agreed to, bill read the second time and referred to the select standing committee of Railways, Canals and Telegraph lines.

On motion of Mr. Graham the House adjourned at 12.30 a.m. Tuesday.

Tuesday, June 16, 1925

The House met at three o'clock.

OLD AGE PENSIONS

Mr. W. G. RAYMOND (Brantford) presented the report of the special committee appointed to consider the subject of Old Age Pensions.

HUDSON BAY RAILWAY

PETITION PRESENTED

Mr. ANDREW KNOX (Prince Albert): Mr. Speaker, I desire to present a petition signed by 125,000 of the people of the province of Saskatchewan praying the parliament of Canada to take such steps as may provide for the completion of the Hudson Bay railway to Port Nelson during the present year; also to provide for the expenditures for the completion of the harbour facilities at Port Nelson. I may say that the forwarder of this petition says in an accompanying letter that approximately 100,000 of the signatures to this petition were obtained at the polls during the Saskatchewan provincial election, and that each signature on the petition is of a duly qualified voter in the province of Saskatchewan. He also says—

Mr. SPEAKER: Order.

BUSINESS OF THE HOUSE

MORNING SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I wish to make a motion with respect to morning sittings. I am suggesting Thursday, the 18th instant, in view of the discussion that took place yesterday, as a date likely to be acceptable to all sides of the House. I move:

That on and after Thursday, the 18th of June next, until the end of the present session, the House shall meet at eleven o'clock in the morning of each sitting day, and that in addition to the usual intermission at six o'clock p.m., there shall be also an intermission every day from one to three o'clock p.m.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, although we have had much else this session in the way of avalanches of money and other votes,

we have not had the supplementary estimates. I do not know how close we are to the end of the session, but we are certainly pretty well advanced and near it. Surely we should have had the supplementary estimates before this.

Mr. ROBB: I hope to table the supplementary estimates not later than to-morrow.

Mr. GARLAND (Bow River): Before this motion is put, I desire to point out to the government that there is at the present time before the Agriculture committee that most important act, the Grain Act. I am informed it will be impossible for that act to get out of the committee stage before to-night at the earliest, possibly not until to-morrow. It cannot then be reprinted and disposed of by the House this week. By the time it goes to the Upper House we probably may expect the middle of next week to be reached, and I sincerely trust that in putting this motion the government does not intend that parliament shall prorogue before the Grain Act is disposed of by both Houses.

Mr. JACOBS: May I inquire if this motion will include Saturday sittings?

Mr. MACKENZIE KING: There is no mention of Saturday sittings at the moment, but I am asking the whips to ascertain whether it would be agreeable to members of the House to sit this coming Saturday, and if there appears to be agreement in favour of it, I will move that the House sit on Saturday.

Motion agreed to.

PRIVATE BILLS

DOMINION CHARTERED CUSTOMS HOUSE BROKERS ASSOCIATION

Mr. ANDREW McMASTER (Brome) moved:

That Bill No. 11, an act to incorporate the Dominion Chartered Customs House Brokers Association, be sent back to the Private Bills committee.

He said: This bill was rejected by the committee when there were only eleven members out of sixty-five present, and on a fairly close division. The bill is now shorn of any objectionable feature, and I think the interests of justice demand that it should be sent back to the committee. I may say that I have not prepared any formal motion in writing, Mr. Speaker, but I trust that the informality may be overlooked.

Mr. SPEAKER: Hon. members have heard the motion. Is it the pleasure of the House that it be adopted?

[Mr. Meighen.]

Mr. MEIGHEN: Is the motion in order? I do not think it is. A motion of this kind cannot be made without giving due notice.

Mr. SPEAKER: By unanimous consent.

Mr. McMASTER: There is really no reason why the House should not give unanimous consent. Every objectionable feature in the bill is cut out entirely, and it is now most innocuous.

Mr. SPEAKER: The rule governing a question of this kind reads as follows:

Two days' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for the putting of a question but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the House. Such notice shall be laid on the table before five o'clock p.m., and be printed in the Votes and Proceedings of that day.

I understand this is a private bill.

Mr. McMASTER: It is a private bill, Mr. Speaker.

Motion agreed to.

FIRST READINGS

Bill No. 197, from the Senate, for the relief of Euphemia Tudor Slade.—Mr. Duff.

Bill No. 198, from the Senate, for the relief of Marion Roberts Edmiston.— Mr. MacLaren.

Bill No. 199, from the Senate, for the relief of William Morgan Floyd.—Mr. Hanna.

Bill No. 200, from the Senate, for the relief of Harry Iven Jones.—Mr. Maclean (York).

Bill No. 201, from the Senate, for the relief of Edith Smith.—Mr. Duff.

Bill No. 202, from the Senate, for the relief of Mary Helen Wallace.—Mr. German.

Bill No. 203, from the Senate, for the relief of Elizabeth Ethel McSherry.—Mr. White.

Bill No. 204, from the Senate, for the relief of Wilbert Newell Hurdman.—Mr. White.

TAX COLLECTIONS

Mr. W. C. GOOD (Brant): I beg leave to move the motion of which I gave notice last Wednesday. It is as follows:

Whereas under an order of reference made on the 23rd of March, 1925, the standing committee on Public Accounts has had under investigation the methods of assessment and collection of business profits and income taxes;

Therefore be it resolved,

That the said committee on Public Accounts be instructed that they have power to consider and recommend to this House such amendments to the Income War Tax Act as may seem to them advisable.

Hon. J. A. ROBB (Acting Minister of Finance): When this resolution was presented by my hon. friend from Brant (Mr. Good)

a few days ago, I directed his attention to the fact that what seemed to me the proper method of procedure was that such a motion should come from the Public Accounts committee, either through its chairman or by a majority report of the committee. For these reasons I shall have to oppose the resolution.

Mr. HANCE J. LOGAN (Cumberland): I may say that after the reference made a few days ago by the Acting Minister of Finance I brought this matter up in the Public Accounts committee, of which I am chairman, and asked them for their instructions. A motion was made to request this House to give the committee power to make the inquiry as desired by the hon. member for Brant (Mr. Good). The motion was duly put to a vote and defeated, largely on the ground that it was considered too late in the session to enter upon such a very serious consideration, and secondly that there was a question as to whether the Public Accounts committee should not be confined to examining the public accounts and not determining what is public policy.

Mr. GOOD: I took it that this would be the attitude of the government. Under the circumstances, therefore, I feel under an obligation to put myself on record briefly in regard to the need for this motion. I should like, in the first place, to refer to some of the significant and salient facts brought out during the investigation. In the first place the commissioner was formerly the tariff officer of the Canadian Manufacturers' Association, and was subsequently called upon as Commissioner of Taxation to assess the business profits and income taxes against concerns for whom he had previously been a special agent. In the second place the commissioner assumed full and personal responsibility for all appointments made under the Business Profits War Tax Act, and also for all adjustments or modifications of assessment made under that act. In the third place, among approximately 30,000 taxpayers assessed under the Business Profits War Tax Act not a single appeal was pressed and no board of referees was ever appointed. There was not one among the 30,000 who was not satisfied to such an extent that he did not press his appeal; not one was irreconcilable. In the fourth place no member of parliament, and no committee of parliament, has had the privilege of examining any original assessment or any subsequent modification thereof. All the files are strictly confidential, and all the officials are under a solemn obligation to preserve secrecy. Not only is this obligation imposed upon all officials under the Business Profits War Tax Act and the Income War Tax Act, but in addition, within the last year, all the officials in the Taxation branch at Ottawa have been required to make a sweeping and solemn declaration before the commissioner.

Mr. W. F. CARROLL (Cape Breton South and Richmond): Mr. Speaker, I rise to a point of order, although I am one of those who supported the hon. gentleman in his contention the other day. The point of order is that there has been no written notice of this motion given to the House previous to its introduction as required, I think, by rule 40.

Mr. SPEAKER: I remember the hon. gentleman (Mr. Good) bringing this same motion forward on the 9th of June. At that time I ruled the motion out of order for the reason that no notice had been given. Now rule 40 says:

> Two days' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee, or for the putting of a question; but this rule shall not apply to bills after their introduction, or to private bills, or to the times of meeting or adjournment of the House. Such notice shall be laid on the table before five o'clock, p.m., and be printed in the Votes and Proceedings of that day.

Has the hon. gentleman given notice to the Clerk of the House?

Mr. GOOD: May I speak to the point of order? I gave notice on Wednesday at the opening of the proceedings, and was subsequently in communication with the Clerk over the matter. I understood that I had officially given notice on that day. At all events the resolution appears in the Votes and Proceedings of that day. Under the rule quoted by you, Mr. Speaker, I understand that the motion is in order and that I have complied with all the formalities.

Mr. SPEAKER: Does any other hon. member desire to speak to the point of order?

It is true that on the Votes and Proceedings of the House of June 10, the motion which I have just read appears; the same resolution that was moved on June 9. However, it is simply recorded as one of the questions which came before the House and was debated that day. But to be strictly in order the hon. gentleman should have handed his motion to the Clerk of the House before five o'clock and it would then have been printed under "Notices of Motions and Questions." If the hon. member will refer to the Votes and Proceedings at page 425 he will see certain notices of motion and questions, and his motion does not appear there. Therefore, much as I regret it, I must rule that there was no notice given.

Mr. GOOD: Did you not, Mr. Speaker, accept my notice as a notice of motion on Wednesday?

Mr. SPEAKER: I ruled against the hon. gentlemen moving his resolution as he proposed to do on June 9, and I said to the hon. member that he should give two days' notice of this motion. The hon. gentleman did not avail himself of my advice. The notice does not appear in the votes and proceedings of June 10.

Mr. GOOD: I understood I had given notice.

Mr. SPEAKER: The hon. member should have handed his notice of motion to the Clerk, who would have entered it in the journals of the House.

Mr. GOOD: It was an inadvertance on my part, and I shall have to give notice now in the proper way.

Mr. SPEAKER: Yes, by handing the notice of motion to the Clerk.

OCEAN RATES ON CATTLE

On the Orders of the Day:

Mr. HARRY LEADER (Portage la Prairie): I desire to read the following paragraph, under the caption "Ocean rates on cattle," and to ask a question of the government relative thereto:

> Right upon the heels of the report of the Parliamentary Committee which inquired into ocean rates comes announcement that the steamship companies have heightened the cattle rate to $25 a head to Glasgow and Liverpool.

Is the government aware of this increase, and are they taking steps in protest?

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Such a report appeared in the newspapers. Now the newspapers are usually accurate, but sometimes the papers are imposed upon. A telegram was received yesterday by the Minister of Agriculture (Mr. Motherwell) saying that only one line had increased their rate on cattle, and that that increase had immediately been withdrawn. On reading the item a day or two ago I wired the President of the Canadian National Railways, under whose jurisdiction the Canadian Government Merchant Marine operates, that the rate on cattle must not exceed the rate in force in May.

RURAL CREDITS

On the Orders of the Day:

Mr. H. E. SPENCER (Battle River): Will the Acting Minister of Finance inform me when the House may expect legislation to be brought down with regard to rural credits?

Hon. J. A. ROBB (Acting Minister of Finance): I think if my hon. friend refers to the votes and proceedings he will find the answer to his question.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Did I understand the Acting Minister of Finance to refer to this motion that is on the order paper in his name as the government's rural credits' policy? If so, I would point out that this is not rural credits at all, as I understand it.

Mr. ROBB: What motion is my right hon. friend referring to?

Mr. MEIGHEN: The $10,000,000 for the land loan.

Mr. ROBB: When we reach it, I shall be in a position to explain to my right hon. friend what it means.

Mr. MEIGHEN: But is it the rural credits' scheme?

Mr. McMASTER: I do object—and I trust I speak not only for myself but for all members in this part of the chamber—to the conversational tone of voice in which the proceedings are being carried on. Either our services should be dispensed with from the chamber, or matters should be discussed in such audible tones that members who are carefully listening will be able to hear what is going on.

Mr. MEIGHEN: I am prepared for either alternative. I was merely asking if the government represents this motion as its rural credits' policy.

ALBERTA COAL

On the Orders of the Day:

Mr. E. J. GARLAND (Bow River): I desire to direct the attention of the Minister of the Interior (Mr. Stewart, Argenteuil) to a despatch on the front page of the Calgary Herald of June 12, which has just reached Ottawa. It refers to coal shipments from Alberta to Ontario, and is headed: "Ontario asks for Drumheller coal in vain." The despatch indicates that the operators have been unable to secure any co-operation with the Canadian National Railways in the shipment of coal, and that the Canadian National officials are without authority to accept coal shipments to Ontario at reduced rates. It is a perplexing situation. On a wire to the minister the information was given that the Dominion government was paying one dollar

per ton subsidy on the freight rate on coal from Drumheller. That is, Drumheller to Ontario. What steps have been taken to remedy this situation and to make the rates reduced available? Is the statement in this despatch true, that the payment is in the form of a subsidy to the railway of a dollar a ton?

Hon. CHARLES STEWART (Minister of the Interior): Some difficulty appears to have arisen with the coal shipments, but I am not clear as to what the difficulty is. Negotiations have been carried on between the Alberta government and the coal company. We agreed to provide one dollar per ton for this trial shipment of 25,000 tons to be brought from a centrad point in Alberta to a central point in Ontario, provided, of course, that the rate to be fixed was $7 a ton. I was given to understand that was the rate. That was the rate agreed upon as the initial rate, the railways claiming it cost $9 a ton. Checkers were to be appointed by the railway and by the Alberta government. I think Mr. Hinton was paid by the Alberta government as their representative, but a careful check of the movement was to be kept from an Alberta point to a central point in Ontario. If it developed that the cost was more than $7 this government was to contribute to the extent of $1 per ton, and if it developed that it cost more than $8 per ton the Alberta government was to contribute to the extent of one dollar. That was the arrangement as I understand, and that is the arrangement we are prepared to carry out.

Mr. GARLAND (Bow River): The minister had not answered the first part of my query. Is the government aware that difficulties have arisen between the Canadian National and the operators in the transportation of this coal, the Canadian National apparently holding the opinion that it has no authority to haul the coal at the reduced rate?

Mr. STEWART (Argenteuil): I cannot be held responsible for what is in the newspapers. I am not aware of any difficulty of that kind. I have never heard before that the Canadian National did not have authority to haul coal at the reduced rate.

FRUIT ACT AMENDMENT BILL

SENATE AMENDMENT

The House resumed from June 12, the adjourned debate on the motion of the Minister of Agriculture (Mr. Motherwell) for the consideration of an amendment made by the Senate to Bill No. 117, to amend the Fruit Act.

Right Hon. W. L. MACKENZIE KING (Prime Minister): This is the bill on which we had a brief discussion the other evening and as regards which we decided to ask for a conference with the Senate. I, therefore, beg to move:

That a message be sent to the Senate to acquaint Their Honours that this House disagrees to their amendment to Bill No 117, to amend the Fruit Act, for the following reason;

Because, (a) It refers to an association by a wrong title

(b) The holding of consultations with an association whose membership is recruited from all points in Canada may often be very difficult and even impossible;

(c) The mere fact of consulting such a body would not bring actual results and seems an unnecessary condition.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I support the motion wholeheartedly. May I ask why the Minister of Agriculture is absent?

Mr. GRAHAM: He is attending the committee on Agriculture.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

BILLS PROPOSED TO AUTHORIZE THE CONSTRUCTION OF BRANCH LINES

SUNNYBRAE-GUYSBOROUGH

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 210, respecting the construction of a Canadian National railway line between Sunnybrae and Guysborough, in the province of Nova Scotia.

Motion agreed to, bill read the second time and referred to the select standing committee on Railways, Canals and Telegraph lines.

RAILWAY FREIGHT RATES

BILL TO AMEND THE RAILWAY ACT, 1919

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the second reading of Bill No. 181, to amend the Railway Act, 1919.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Powers of board continued.

Mr. GRAHAM: This is the freight rates case, and I do not want to take any advantage of hon. gentlemen to pass any of it through without their having an opportunity to discuss it.

Mr. FORKE: I think we ought to have this debate on the second reading. It slipped through rather accidentally.

Mr. GRAHAM: We can debate it now just as well. I presume I should make a few comments on the proposition at present before the committee to regulate freight rates and to bring order out of the chaos that now to a large extent exists in the rate structure of the Dominion of Canada. That disorder exists from a series of findings and conditions. If the committee will bear with me, I will give a little history of the situation.

In 1897, what is known as the Crowsnest pass agreement was made by the Dominion of Canada with the Canadian Pacific Railway Company. Under this agreement the Canadian Pacific Railway Company agreed to build a line of railway through what is known as the Crowsnest pass to Nelson, B.C. They were given as a subsidy $11,000 a mile, or, in all, $3,404,720. In return, under this agreement it was provided that the Canadian Pacific railway should give a freight rate on grain and flour from points west of Fort William to Fort William and any point east of Fort William three cents per hundred pounds lower than the then existing rate, and certain reductions were to be made on named articles and commodities shipped from the east westward. I might name some of the commodities as part of the history:

Commodity—	Reduction per cent
All green and fresh fruit	33⅓
Coal oil	20
Cordage and binder twine	10
Agricultural implements of all kinds set up or in parts	10
Iron, including bar, band, Canada galvanized sheets, pipe, pipe-fittings, plates, nails, spikes, and horse-shoes	10
All kinds of wire	10
Window glass	10
Paper for building and roofing purposes	10
Roofing felt, box and packing	10
Paints of all kinds and oils	10
Livestock	10
Wooden ware	10
Household furniture	10

I think that this in a broad way, covers the terms of this agreement. This agreement was in force prior to 1918. In 1918, if I remember correctly, under the War Measures Act an order in council was passed giving the Board of Railway Commissioners power to override the Crowsnest pass agreement temporarily. In 1919, with the lapse of wartime orders in council, the suspension of the Crowsnest agreement was provided for in the general Railway Act then under review, and that suspension was definitely limited to a period of three years from July 7, 1919. In July, 1922 the Crowsnest pass agreement, so far as grain and flour were concerned, again became operative, the agreement as respecting westbound rates being extended for a further period of one year, with power under the act for the Governor in Council to extend those provisions for one year further. On July 6, 1924, no legislation having intervened, the Crowsnest pass agreement in its entirety came automatically into force. Except for the period of four years referred to the rate under the Crowsnest pass agreement on grain and flour has been in existence since 1898 when the act came into force. The Crowsnest pass agreement having, as I have said, come automatically into force on July 6, 1924, tariffs were filed with the Board of Railway Commissioners in accordance with the terms of the agreement, with this exception, that the Canadian Pacific Railway restricted the application of those rates to points which were on that system of railway in the year 1897 when the Crowsnest pass agreement was decided upon and the act passed. This of course created considerable confusion. An appeal was made both to the Board of Railway Commissioners and the board gave a ruling to the effect that the general act of 1903, under which the Board of Railway commissioners was constituted, over-rode the special act embodying the Crowsnest pass agreement and the board ordered the withdrawal of the restricted tariffs. An appeal was taken both to the board and to the Governor in Council. The board remitted the appeal to the Supreme court on certain questions of law while so far as the Governor in Council was concerned, the board was directed to restore the Crowsnest rates as applied by the railways pending judgment of the Supreme court. The judgment of the Supreme court—I am speaking in the terms of a layman—was to the effect that the Board of Railway Commissioners had been mistaken in the finding that the act of 1903 superseded the agreement of 1897; the Crowsnest pass agreement, it was held, had really the force of a statute and could not be over-ridden by the act of 1903. On the other question, as to the limited territory to which the Crowsnest pass agreement applied, the court found that the contention of the Canadian Pacific Railway was right and that the terms of the agreement applied, so far as that railway was concerned, only to those points that were in existence at the time of the making of the agreement in 1897.

One can readily see that with these conflicting findings there would be an indescribably chaotic condition in the country in the matter of freight rates. Under the judgment

Crowsnest rates were legally applicable only at points that were in existence on the Canadian Pacific in 1897, while adjacent towns were obliged to pay the higher regular rates. And this condition as to descrimination was true of the west as well as the east. For example, we found Edmonton on a different basis altogether from Calgary. This situation, of course, could not be tolerated, and the legislation we have now before the House is intended to provide some means for the removal of this discrimination and to give the Board of Railway Commissioners a free hand in the equalizing of rates throughout Canada in order that all parts of the country may be equally situated with others.

In substantiation of what I have said regarding this discrimination I would submit for the consideration of the committee the following table showing all-rail rates on Crowsnest commodities from eastern to western Canada, compared with rates on the same commodities from places not affected by the agreement. On agricultural implements from Hamilton, Ontario, to Saskatoon, Saskatchewan, a distance of 1,716 miles, the rate is $1.15½ per hundred, while from Brantford, Ontario, to Saskatoon, 1,737 miles, the rate is $1.39½. I will not read the other items but, with the permission of the committee, I will place the statement on Hansard.

The complete statement is as follows:

STATEMENT SHOWING ALL-RAIL RATES ON CROW'S NEST COMMODITIES IN CARLOADS FROM EASTERN TO WESTERN CANADA COMPARED WITH RATES ON SOME COMMODITIES FROM TERRITORY NOT AFFECTED BY THE CROW'S NEST AGREEMENT

Commodity	Crow's Nest Rates				Regular Rates			
	From	To	Miles	Rate in cents per 100 pounds	From	To	Miles	Rate in cents per 100 pounds
Agricultural implements	Hamilton, Ont.	Saskatoon, Sask.	1,716	115½	Brantford, Ont.	Saskatoon, Sask.	1,737	139½
Furniture	Woodstock, Ont.	Regina, Sask.	1,645	125	Stratford, Ont.	Regina, Sask.	1,629	185½
Binder twine	Hamilton, Ont.	Winnipeg, Man.	1,246	71½	Welland, Ont.	Winnipeg, Man.	1,286	114
Apples, green	Toronto, Ont.	Moose Jaw, Sask.	1,606	85	Grimsby, Ont.	Moose Jaw, Sask.	1,654	130
Glass, window, common	London, Ont.	Portage la Prairie, Man.	1,359	81	Kitchener, Ont.	Portage la Prairie, Man.	1,301	122
Household goods	Brockville, Ont.	Brandon, Man.	1,858	85½	Cornwall, Ont.	Brandon, Man.	1,880	116
Iron bars	Hamilton, Ont.	Calgary, Alta.	2,112	137	Welland, Ont.	Calgary, Alta.	2,152	192
Cattle	Ingersoll, Ont.	Weyburn, Sask.	1,639	73	Kitchener, Ont.	Weyburn, Sask.	1,587	113
Oil, lubricating	Montreal, Que.	Edmonton, Alta.	2,148	172	Sarnia, Ont.	Edmonton, Alta.	2,147	188½
Paints	Windsor, Ont.	Regina, Sask.	1,771	107	Stratford, Ont.	Regina, Sask.	1,629	155
Paper, building and roofing	Toronto, Ont.	Bienfait, Sask.	1,502	107	Brantford, Ont.	Bienfait, Sask.	1,561	147
Wire, common fence	London, Ont.	Saskatoon, Sask.	1,775	132½	Sarnia, Ont.	Saskatoon, Sask.	1,824	168
Woodenware	Woodstock, Ont.	Winnipeg, Man.	1,289	86½	Stratford, Ont.	Winnipeg, Man.	1,272	114

Office of the Vice-President,
Canadian National Railways,
Montreal, Que., May 6, 1925.

It can be readily seen that this state of affairs could not continue. Now, there are two things that parliament can do; it can insist on having the Crowsnest agreement remain in force in its entirety or it can remove it altogether from the statute books. But a third and middle course might be taken, and we are asking parliament to remove from the agreement that part relating to westbound traffic, leaving to the prairies and the west for the future all the benefit they have ever received, and more too, I think, on grain and flour.

Now, suppose we said that the best thing to do was to leave the Crowsnest pass agreement in its entirety. I do not think there is a man in this House who in private would, after considering the situation, say that that ought to be done. What does it mean? Speaking as Minister of Railways and adviser of the government on railway matters, I feel a serious responsibility for the condition of our railways at the present time. Not only are we responsible for the great Canadian Pacific Railway, but we are responsible for and proprietors of 22,600 miles of our own railway; and while I am not pleading the cause of the railways, let us all keep in mind that this is the situation to which we cannot close our eyes and which we cannot ignore in discussing the question. As I said, I have a responsibility, but I want to be bold, I want to pass that responsibility, or the share that belongs to him or her, over to every member of this House, because I say without any hesitation that this parliament could break the railways of Canada if it so desired, and any action we take ought to be taken with at least full consideration. Now, what would happen if the Crowsnest pass agreement were maintained in its entirety? On a large list of commodities—

Sir HENRY DRAYTON: I think, fifteen.

Mr. GRAHAM: Yes, fifteen. On that list of commodities rates were established by the Crowsnest pass agreement which mean a loss to the railways of Canada. There is no getting around that. Now, if that rate basis applied only to those particular commodities between certain points it would not be so bad, but these particular commodities come under certain classifications, and no unjust discrimination being allowed under the Railway Act, there would be nothing for the Board of Railway Commissioners to do but to apply the Crowsnest pass rates as the basis for rates all over the Dominion. The railways of Canada—I say it advisedly—cannot stand that application. Then take the other viewpoint: Should we abolish the Crowsnest pass agreement altogether? I may admit at once that there are a great many men in this House who believe that it is the proper thing to do.

4 p.m.

Mr. CALDWELL: Before the minister proceeds may I put a question to him on the former point? He said that if the Crowsnest pass agreement were put into effect it would mean that the railway commission must make other rates corresponding with the rates under that agreement, for there could not be unjust discrimination. But did not the Supreme court rule that any rates set under such a private act did not constitute unjust discrimination, that therefore there could be very much lower rates under a special act, but that they would not be taken as the basis for fixing rates generally, and would not be considered unjust discrimination?

Mr. GRAHAM: No. In making comparisons with the special act in force it would not be called unjust discrimination; but in building a rate structure, no matter what the judgment of the court might be, you would find that the Board of Railway Commissioners would have to take that special rate as their yardstick. It would have to apply to every town in the Dominion where there was any railway.

Mr. CALDWELL: It never has.

Mr. GRAHAM: To my mind the Crowsnest pass agreement could not possibly be made the permanent basis of our rate structure without bringing our railways into a situation that would be serious for them and more serious for the Dominion.

Mr. MACLEAN (York): Why did the Canadian Pacific Railway sign the Crowsnest pass agreement then?

Mr. GRAHAM: My hon. friend has lived a good many years since 1897; so have I.

Mr. MACLEAN (York): Why did they sign it?

Mr. HOEY: As a matter of fact, would not that mean increased freight rates for eastern Canada?

Mr. GRAHAM: It is not my intention to discuss freight rates; but I repeat, if the Crowsnest pass basis of rates is to be made the yardstick for freight rates in the Dominion, you may as well give away your National railways to-morrow, because you will find no government and no Minister of Railways that would be responsible for carrying on the railway system under those conditions.

Mr. MACLEAN (York): Have not the Canadian Pacific Railway that in view?

Mr. GRAHAM: My hon. friend must excuse me from saying what the Canadian Pacific Railway had in view forty years ago.

Mr. HODGINS: Would not that be the only yardstick for those commodities that are mentioned in the Crowsnest pass agreement?

Mr. GRAHAM: Not at all. Commodities are classified under various classifications, and no matter how we may endeavour to get around it we cannot have unjust discrimination, and all the rates would have to be brought to the same level as a matter of practice, for the people would demand it, and rightly so.

Are we to do away with the Crowsnest pass agreement altogether? As I pointed out, a great many people think we should. But the Crowsnest pass agreement having been in force, the government decided that, along the lines they are proceeding, they would give a fair chance to the people in every part of the Dominion and thus avoid injustice to those in certain sections. I think I am correct in this, that there is no part of Canada from which anything is taken that is not getting compensation. There are different kinds of rates, they are all interwoven into our rate system, and it is possible to gain something on one rate and lose twice as much on some other rate. We have commodity rates, through rates, export rates, local rates, distributing rates, competitive rates. Now, parts of Canada are gaining more in their commodity rates than they could lose in this grain rate if it were increased by twenty-five per cent. A commodity rate is based on nothing but the desire to give a certain community an opportunity to ship its goods at a rate sufficiently low to enable those goods to reach the market on a competitive basis. The fixing of commodity rates is in the hands of the Board of Railway Commissioners. Competitive rates are rates to competitive points and rates competing with water carriage.

Mr. WOODSWORTH: Under these circumstances, what does the equalization of rates really mean?

Mr. GRAHAM: The Board of Railway Commissioners will have to decide what equality means.

Mr. WOODSWORTH: As I understand it, this bill provides for the equalization of rates. Under all these categories of rates, what does equalization really involve?

[Mr. Graham.]

Mr. GRAHAM: My hon. friend will have to excuse me from going into a couple of hours' discussion of a technical point. I am pointing out to him and to the House the different kinds of rates which exist, and this bill has nothing to do with those rates except that it leaves their control entirely with the Board of Railway Commissioners, where it has always been.

Mr. WOODSWORTH: Mr. Chairman, it seems to me important that, since the bill proposes to grant the railway commission the opportunity of equalizing rates, we should know exactly what that involves.

Mr. GRAHAM: Mr. Chairman, I would advise my hon. friend to discuss this in committee, and allow me to proceed with my statement. Perhaps he is confusing the order in council with the bill. I made the statement that I did not think that anything was being taken from any part of Canada for which compensation was not being given. In the east, and I want to make it clear that the Crowsnest pass agreement gave the east some privileges, privileges to ship their produce to the west at a reduced rate, and that privilege was shared and only shared by the western people who got the benefit, or should have got the benefit of the lower freight rates on those commodities—that was not all for the western people; that was for the eastern producer as well as the western consumer. Now we are taking away from the eastern producer any benefit he may have had under that Crowsnest pass agreement on westbound traffic, but he is getting something which under the present conditions is necessary to clear the way and must make him feel that he is getting a substitute which helps in a measure at least. He is getting rid of an act under which the railways cannot give him good service. Every community knows that under this act it will not be discriminated against in favour of any other community. That is what the east gets in eliminating this portion of the Crowsnest pass agreement.

Now what does the west get?

Mr. FORKE: There's the joker.

Mr. GRAHAM: There is no joker in this. The west gets a good deal. The Crowsnest pass agreement at the time it was made—I do not want to be argumentative, I simply want to state facts—gave to the west an agreement respecting 2,951 miles of railway. That is the mileage and the territory covered by the Crowsnest pass agreement west of Fort

William. That, according to the Supreme court's decision, was the quid pro quo for the grant of some $3,400,000 odd dollars.

Now, how many miles of the Canadian Pacific will be affected under the present act with respect to grain and flour? Instead of the 2,951 miles at the present time, the prairies are getting the benefit of the Crowsnest pass agreement on 8,084 miles, as against 2,951 miles which they got originally under the Crowsnest pass agreement.

Mr. KELLNER: Would that be mileage east of the mountains?

Mr. GRAHAM: That is the mileage from the boundary of British Columbia to the head of the lakes. Take the Canadian Pacific, granted, if you like, that the Crowsnest pass agreement anticipated that all this mileage to be constructed would come under it; take for granted, as parliament always seems to have done, that this decision of the Supreme court is not applicable, then what do we find? The Canadian Pacific lines all told coming under the Crowsnest pass agreement to-day are 8,084 miles. But in addition to that, and surely no one will dispute this, with the Canadian National railway coming under the bill we are now proposing, this new statute definitely gives to the prairie provinces an additional mileage of 9,007. I say that the extra benefit by legislation, not by competition, but by legislation, that comes to the prairie provinces under the act now before this House more than compensates them for anything they lose on the westbound traffic.

Mr. SHAW: Is it not true that we have always had that?

Mr. GRAHAM: If my hon. friend were in court he would have followed my words more closely. I said you will have by statute 9,000 miles more than you ever dreamed you would have.

Mr. SHAW: We had it by a decision of the railway commission once before.

Mr. GRAHAM: Not by statute, because the statute applies only to the Canadian Pacific, and the only way you could get that would be under the clause which provides against unjust discrimination.

Mr. STEVENS: If the minister justifies the bringing of this 9,000 miles of National railway under the same conditions as provided in the Crowsnest agreement, why does he by an amendment to clause 6 prevent the application of it to the transport of wheat and flour westward to the Pacific coast?

Mr. GRAHAM: Because the Crowsnest pass agreement always dealt with eastbound traffic, and under this act we are bringing nothing in; we are simply making an enlargement of the Crowsnest pass agreement to include all mileage in the territory eastward that was covered by the Crowsnest pass agreement.

Mr. STEVENS: The minister is including territory to the northward of the area included in the Crowsnest agreement. What is the difference between including it if it is to the northward or if it is to the westward? Why should not westward be included as well as northward? The geographical area northward is included, but the geographical area westward is arbitrarily excluded.

Mr. GRAHAM: The geographical situation as described by my hon. friend may be approximately accurate, but this act continues to deal with eastbound traffic, and that is in the Crowsnest pass agreement and always has been.

Mr. MEIGHEN: Westbound.

Mr. GRAHAM: I mean on grain and flour, and no division is made in that respect. I am pointing out that no matter what might happen in the years to come under railway commissions, whose decisions sometimes vary, the prairie provinces under this legislation are confirmed by statute—

Mr. HOEY: Which can be changed.

Mr. GRAHAM: Only by parliament. The prairie provinces are confirmed by statute now in a position they never had by statute before, but only under a decision of the Board of Railway Commissioners and on account of the unjust discrimination clause in the act. So to that extent there is, to my mind, a substantial benefit to the prairie provinces.

Mr. HOEY: The minister is talking about the benefit to the prairies. Will he not admit that even under the Crowsnest rates we still pay more, by seven to forty per cent, than we paid on grain and flour in 1917, and for many years previous?

Mr. GRAHAM: If my hon. friend wants to go back to the rates we had so many years ago, he will have to get a cheaper method of transportation.

Mr. HOEY: I would not return to them, but if normal conditions come back, this so-called statutory protection may be meaningless.

Mr. GRAHAM: It is all the protection my hon. friend ever had under the Crowsnest pass agreement. It is maintaining that in its entirety and in every detail.

Now let me go a little further. I want to refer for a moment to the bill itself. My hon. friend has spoken of British Columbia, and the same question might be raised in regard to the Maritime provinces; the same question might be raised in regard to any part of the province of Ontario, and in regard to the province of Quebec. But that would bring us to the point, Mr. Chairman, where this parliament would be undertaking to make a schedule of rates for the whole Dominion by statute, and I submit that that is not in the interests either of the consumers or of the producers of Canada. It would simply bring chaos, and we would have to go back on half our work. Parliament can lay down general principles, but under conditions as we have them to-day parliament is not the proper body to start in making a schedule of rates for the whole Dominion.

Mr. CLARK: In view of the fact that the Supreme Court has given a decision which makes it impossible to operate under the Crowsnest pass agreement, what obligation is there upon the people of Canada to make statutory rates for any part of Canada?

Mr. GRAHAM: This bill does not propose to make statutory rates for any part of Canada.

Some hon. MEMBERS: Oh, oh.

Mr. GRAHAM: This bill rids us of the statutory rates that have already been made. That is all it does.

Mr HANSON: And confirms others.

Mr. LeSUEUR: By statute.

Mr. GRAHAM: There is no question about the attitude and the position. I want to make it clear again: This bill does not create any statute for the making of rates. It eliminates a portion of the rates created under the statute of 1897, and leaves the balance as a fair compromise between the different parts of Canada.

Mr. CLARK: May I ask the minister another question?

Mr. GRAHAM: Surely.

Mr. CLARK: Does this act not extend the rates created under the Crowsnest pass agreement to the Canadian National Railways and all other railways?

[Mr. Hoey.]

Mr. GRAHAM: Surely.

Mr. CLARK: And they are statutory rates.

Mr. GRAHAM: Because, as my hon. friend says, they were in reality in force though I understood that—

Mr. MEIGHEN: Hear, hear, the minister sees where he is cornered.

Mr. GRAHAM: Not cornered at all. I see where the right hon. gentleman has got all his gentlemen friends around him trying to corner me, but he will have to get forty more before he can do it.

Mr. MEIGHEN: Does the minister not admit that this statute provides for the Canadian National Railways' fixed rates on grain and flour eastward, and that prior to this statute there was no statute that did it.

Mr. GRAHAM: Surely.

Mr. MEIGHEN: Then does not this statute increase the statutory rates?

Mr. GRAHAM: Not at all.

Some hon. MEMBERS: Oh, oh.

Mr. GRAHAM: It confirms the rates that are now in force.

Mr. MEIGHEN: Not by statute.

Mr. GRAHAM: They are in force.

Mr. MEIGHEN: Not by statute.

Mr. CLARK: Is it not a fact that in the decision given by the Supreme Court of Canada it was expressly laid down that the Crowsnest rate does not apply to the Canadian National Railways eastward?

Mr. GRAHAM: I am not going to argue that matter, it is so evident.

Mr. CLARK: It is not a matter of evidence, it is a matter of judgment.

Mr. GRAHAM: I used the word "evident." My hon. friends are just drawing a red herring across the trail. Here we are, trying to remedy a condition, that is all; and I am pointing out to the prairies that by statute they are getting something which by practice they had before. Now let me take up the bill

Mr. CLARK: Would the minister say what the effect of the Supreme court judgment is?

Mr. GRAHAM: What I say about the Supreme court decision is that in one respect

we are overriding it in this bill. Now let me take up the bill as it is:

Chapter 41 of the Statutes of 1922 is hereby repealed.

That was the act. Power was given to the Governor in Council to extend it for another year. That is now out of existence, so it is repealed. Now the next section:

Subsection five of section three hundred and twenty-five of the Railway Act, 1919, is hereby repealed.

That is the section of the act passed in 1919 suspending the Crowsnest rates for three years. Now I come to section three which reads as follows:

Section three hundred and twenty-five of the Railway Act, 1919, is amended by adding at the end thereof the following subsections:

"(5) Notwithstanding the provisions of section three the powers given to the Board under this Act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require, shall not be limited or in any manner affected by the provisions of any act of the parliament of Canada, or by any agreement made or entered into pursuant thereto, whether general in application or special and relating only to any specific railway or railways, and the Board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, on the ground that such discrimination or preference is justified or required by any agreement made or entered into by the company.

That is practically a section of the act of 1919. The object is to remove the westbound traffic and place it under the jurisdiction of the Board of Railway Commissioners. I continue reading the section:

Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the date of the passing of this Act, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897.

The provisions in the act of 1897 have reference to the retention of the rates eastbound on grain and flour.

Mr. HOEY: There is no reference to the westbound rates on grain and flour?

Mr. GRAHAM: There never was. In this bill we are sticking to the terms of the Crowsnest pass agreement. I want to explain again that if we started in to make a wholesale tariff for all the different parts of Canada, which is the business of the Board of Railway Commissioners, I am afraid parliament might not make a very good job of it. Consequently we are sticking to the terms of the Crowsnest pass agreement. We are not making new legislation except in the manner I described a few minutes ago, eliminating that portion of the Crowsnest pass agreement relating to westbound traffic but retaining every item of benefit the prairie provinces have had heretofore on grain and flour. Now let me read the proposed amendment. We have got to the point where all the traffic but the westbound traffic is still under the Crowsnest pass agreement, and the balance is put under the Board of Railway Commissioners.

Mr. FORKE: Before you leave that point. The reduction was three cents to Fort William and points east?

Mr. GRAHAM: Yes.

Mr. FORKE: Does that only apply to Fort William?

Mr. GRAHAM: I am going to explain that.

Mr. MEIGHEN: That is another change.

Mr. GRAHAM: It is not a material change though, it does not make any difference. If the rate reduction were a percentage on so much a mile it would mean a great difference, but it was 3 cents per hundred pounds, and under the present act that was to apply to grain and flour shipped from points west of Fort William to Fort William or points east. It did not make any difference whether the grain stopped at Fort William or went east of Fort William, the reduction was three cents per hundred pounds. And that is not changed.

Mr. MEIGHEN: Under the law as it will stand if this legislation passes, could not the rate be raised from Fort William eastward nullifying the effect of the reduction westward, whereas under the previous law that could not have been done?

Mr. GRAHAM: I want to say distinctly that the Crowsnest pass agreement never applied east of Fort William.

Mr. MEIGHEN: Yes.

Mr. GRAHAM: Oh, no.

Mr. MEIGHEN: Yes.

Mr. GRAHAM: Never. I will explain it to my right hon. friend because there has been a lot of misconception about this. It is a very important point and I want to make it clear. The only condition to get that three cents per hundred pounds was that the goods must be shipped from a point west of Fort William. Whether it stopped at Fort William or whether it went through to Jericho three cents per hundred pounds was all that was taken off the freight rates. If it originated fifty miles west of Fort William and got to Fort William the reduction was three cents

per hundred pounds. The same was true if the freight went one hundred miles east of Fort William. I have looked up the Crowsnest pass agreement rates since 1897 so far as I could get them and those rates never were applied to points east of Fort William.

Mr. MEIGHEN: I think the minister has a wrong comprehension of the situation. What he has said up to this last sentence is true. I do not dispute for a moment that all that was necessary—under the act as it stood, and as it was in effect—was that there was to be a reduction of three cents as between western points and Fort William and western points and St. John city or any other city. What will be possible if the present legislation passes is this. The company is only obliged to reduce three cents to Fort William. Now, with the approval of the railway commission—and there is nothing to prevent them giving it, nothing at all—the rate from Fort William farther east could be raised, thereby nullifying the reduction to Fort William from the points of origin.

Mr. GRAHAM: That was always the case.

Mr. MEIGHEN: No.

Mr. GRAHAM: Yes.

Mr. MEIGHEN: Because the aggregate rate from the place of origin eastward could never be more than three cents less than it was before. Now it can.

Mr. GRAHAM: I want to make it clear to my right hon. friend that he is absolutely wrong. Let me state that again, and I know he cannot help but see it; that all the shipper could get anyway was a reduction of three cents per hundred pounds. It did not make any difference where he got it, if he got it.

Mr. MEIGHEN: That is right.

Mr. GRAHAM: But the grain had to go as far east anyway as Fort William to get it. If that had not been in the act at that time, the way the act was drawn, if a man shipped grain from a hundred miles west of Fort William to two miles west of that place he would not have got the reduction of three cents; but they had to make it apply, not only to grain or flour that stopped at Fort William, but grain that went on. All the reduction he could get under any circumstances was three cents a hundred pounds. The through rate from Medicine Hat to St. John was made in this way; by taking the Crowsnest pass agreement rate to Fort William and then the special rate decided upon by the Board of Railway Commissioners from Fort William east; and these two were added together. That condition is not changed one iota under this bill. I have the opinion of some of the best men in this country on that point. The condition is not changed one iota. I am going on with this point. The grain shipped from west of Fort William gets the three cents a hundred pounds off under this bill, just the same as under the old act; and the Crowsnest pass agreement never was applied by the Board of Railway Commissioners to points east of Fort William in any judgment they ever gave or any rate ever filed since the passing of the act in 1897; and the reason is quite clear, that it was intended to apply and be earned before the shipment got to Fort William, because at Fort William the competition with the water rates changes or controls the situation, and the earning of the reduction of three cents per hundred pounds under the old act was accomplished before it got to Fort William, and that is the case under this act; therefore there is no change. The reason of the amendment was to make it quite clear that the territory that was covered by the old act was covered by the new one, and no other territory. That is what every man in this House wanted to do—to retain the features of the Crowsnest pass agreement on all the traffic eastward, and that amendment to my mind was not needed. However, that is the advice I have received. It does not affect the situation but makes it clearer that the territory is not extended at this point, but that the reduction of three cents per hundred pounds that always applied under the Crowsnest pass agreement to any traffic originating west of Fort William applies under this act to the other traffic I have mentioned. There have been desperate efforts to get us to open up that point, to make it clear or to provide that, if grain were shipped from other points east of Fort William, even if there is water competition, the Crowsnest pass agreement should apply, but the government has no intention of doing that, nor has parliament any such intention. The Crowsnest pass agreement was made to give relief to those portions of Canada where there was no water competition. This amendment only makes it clear and does not add one iota to the difficulties of the farmers or millers in getting a reduction of three cents per hundred pounds.

Mr. CAMPBELL: Is there any intention of making the Crowsnest pass agreement rate apply to Quebec over the Transcontinental?

Mr. GRAHAM: This is going to be left to the Board of Railway Commissioners. My hon. friend from Mackenzie (Mr. Campbell)

asks this question, and my hon. friend from Vancouver Centre (Mr. Stevens) asks another question. I have been asked a hundred questions. That would mean that we were going to make rates in parliament, and we are trying to get away from that as far as we can.

Mr. MEIGHEN: You have started it.

Mr. GRAHAM: I hope my hon. friend will feel better as I proceed.

Mr. STEVENS: The next clause is more serious still.

Mr. GRAHAM: What is that clause?

Mr. STEVENS: Number six.

Mr. GRAHAM: It is all right.

Mr. STEVENS: If you leave it alone it is all right.

Mr. GRAHAM: It is to make it clear and to conform with the amendment made in the other section.

Mr. FORKE: We have not got clauses five and six.

Mr. GRAHAM: I have got to move these amendments in committee when the time comes.

Mr. FORKE: Has the hon. member the clauses before him?

Mr. GRAHAM: I have them in typewriting. I will read the clause I have just been discussing. At the end of subsection 5 the following is added:

But shall apply to all territory west of Fort William covered by tariffs filed with the board under the terms of said agreement at the date of the passing of this act and to all lines of railway now or hereafter constructed by any company subject to the jurisdiction of parliament within such territory.

Now we have clause 6. The only amendment in clause 6 is by inserting after the word "thereto" in the sixth line the words "within the territory." That is to conform to the amendment I have just read, to confine this to the territory.

Now let me take clause 6. This clause is meant and does convey this assurance; that within the territory affected by the Crowsnest pass agreement there must not be any discrimination as between localities under the agreement. Now it was contended that with regard to territory that came under that agreement the clause concerning unjust discrimination might not be applicable; that is, to the different points getting the benefit of the Crowsnest pass agreement; consequently clause 6 is put in to provide that within the territory included in the Crowsnest pass agreement there must be no discrimination as between points that are under this agreement; and I am told by a very high legal authority that that is just what it does convey, and it is not intended to convey anything else; and I think if hon. gentlemen will read it closely when it is printed, they will find that it does convey that meaning.

Mr. STEVENS: The addition of the words in the now proposed amendment "within the territory" as applied to clause 6 limits the application of clause 6 to the territory formerly covered by the Crowsnest pass agreement and eliminates the territory west of the mountains as well as the territory east of them.

Mr. GRAHAM: Because the territory west of the mountains was never under the Crowsnest pass agreement.

Mr. STEVENS: Quite so, but the present amendment does not accomplish that. The present amendment inserting the words "within the territory" eliminates the territory west of the mountains, as well as the territory east of Fort William.

Mr. GRAHAM: It does not eliminate it at all, because it was never in the Crowsnest pass agreement.

Mr. STEVENS: The minister has not caught the force of my statement.

Mr. GRAHAM: I caught the force of what the hon. member was trying to say.

Mr. McMASTER: Are we not out of order discussing amendments not before the committee?

Mr. STEVENS: My hon. friend has selected an odd moment to suggest that we are out of order. The minister has been out of order for the last hour. We are out of order by consent of the committee, and it is an unfortunate moment to raise this objection. I ask if clause 6 of the bill as it is presented to parliament does not extend to the territory west of the mountains as well as the territory east of Fort William the same privileges as are accorded the prairie provinces or the central section, but that the interjection of the words "within the territory" limits the meaning of this clause to territory between the mountains and Fort William.

Mr. GRAHAM: No, my hon. friend will get no admission on that. Let me read the clause. Perhaps my hon. friend has not read it. I ask hon. members to concentrate their

thoughts on this for a minute. This clause reads:

The board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities or of undue or unreasonable preference, respecting rates on grain and flour, governed by the provisions of chapter five of the statutes of Canada, 1897.

What is that statute? The Crowsnest pass agreement, and this section without this amendment applies only to the Crowsnest pass agreement and to territory under the Crowsnest pass agreement.

Mr. STEVENS: Why does the minister insert the amendment?

Mr. GRAHAM: I am not sure that it is absolutely necessary, but some lawyers tell me it is. What I am trying to do, if my hon. friend will allow me, is to close up the gaps which lend themselves to a great deal of litigation, because litigation has been going on for years. If that will be accomplished by adding a word or two to make the matter clearer, then I want to add that word or two.

Mr. CLARKE: The minister says that the addition of this clause does not change the practice that was in operation say prior to 1917 when the War Measures Act was in vogue.

Mr. GRAHAM: I do not want to be rude, but I do not know anything about that. I do not know what the practice of 1917 was. I know this amendment that, I have suggested, should be inserted here does not change the meaning of sub-clause (6), but makes it clearer.

Mr. CLARK: I will put it in another way and leave out 1917 altogether. I merely want to get the meaning of sub-clause (6), whether or not it has any significance or effect as regards British Columbia. If so, what is the effect? The impression I am under is that the clause does not change the practice as previously adopted, but it may, as the minister says, be put in to clear up some points of law that were not perfectly clear before.

Mr. GRAHAM: This subclause (6), to begin with, is to make it clear that there cannot be any discrimination within the territory covered by the Crowsnest pass agreement.

Mr. CLARK: Has it any significance as regards British Columbia?

Mr. GRAHAM: The Crowsnest pass agreement never affected British Columbia and this does not affect British Columbia in any way.

[Mr. Graham.]

Let me come to clause 4. I am more surprised than I could imagine about the objections to clause 4. Some people have construed clause 4 to mean that certain people might be shut out from going to the courts at any time under the Crowsnest pass agreement or its application. What clause 4 means and what it says is simply this, that it precludes a great deal of little, petty lawsuits that might be brought against the railways on account of the decision given by the Board of Railway Commissioners as to rates under which certain tolls were collected, which the Supreme court says were wrong. The committee can readily understand that if some people paid fifty cents too much, there may be speculators in different parts of the Dominion who will buy up all these little claims and start suits against the railways. All that clause 4 says and means is that the railways shall not be liable for action for filing and collecting tolls for a few months under the decision of the Board of Railway Commissioners, and it cannot be construed into meaning anything else. Perhaps I have violated all the rules; but as I gave notice of these amendments a few days ago and put them on Hansard, I would not be discussing the principle of the bill in its entirety unless I included the discussion of the bill as it will be when amended. I put these proposed amendments on Hansard some days ago in order that hon. members might have them before them.

The order in council which has been printed and published covers quite a large territory, and it was the final answer to the application made against the ruling of the Board of Railway Commissioners, which finding in its entirety was postponed until after the judgment of the Supreme court. What we need in Canada at the present time on this rate question is a compromise attitude by which we shall get rid of some of the complications and be able to get a more equitable adjustment of freight rates throughout the Dominion. I do not mean by that putting burdens on here and taking burdens off there, but in the west and in the east a certain chaos exists that must be cleared up. Who shall clear it up? We believe the Board of Railway Commissioners has the power and is the best authority to clear that up. The hon. member for Vancouver Centre (Mr. Stevens) will note that in the order in council reference was made to the westbound traffic, and while this government feels and while I believe parliament will agree that the simplest and most effective way of clearing up the situation that now exists is to adhere, as is done in the bill to the Crowsnest pass agree-

ment as regards grain and flour, the Board of Railway Commissioners, when it comes to carry out the instructions as contained in the order in council, will have to face this situation, that on the Pacific coast a new condition affecting the prairies has arisen. Last year approximately 50,000,000 bushels of grain went through Vancouver harbour, and a large proportion of the grain that, when the Crowsnest pass agreement went into force, was all intended to come east, is going west. When the board comes to decide the rates to be applied on grain in the prairie provinces, it will have to take into account the new conditions that exist now that did not exist some years ago. It will have to take into account the fact that we have really three transcontinental railways, one running into Prince Rupert and two running into Vancouver. It will have to take into account further the fact that a not inconsiderable portion of the prairies find it more convenient, easier, to ship their grain to the Pacific coast, and any Board of Railway Commissioners will certainly give full consideration to this new condition and see that the Pacific coast trade is treated properly in any decision handed down by that board.

Mr. MEIGHEN: Why does the minister think the same Board of Railway Commissioners would not be just to the prairie provinces?

Mr. GRAHAM: My right hon. friend speaks as if there was a condition existing in which there was no Crowsnest pass agreement.

Mr. MEIGHEN: There is none now.

Mr. GRAHAM: There is a portion of it as my right hon. friend knows. I say to him now frankly that if there were no Crowsnest pass agreement, I would never move to have that or any other agreement. But we find ourselves faced with a condition and not a theory, and we are dealing with a condition that is in existence under an agreement made in 1897 between the government of Canada and the Canadian Pacific.

Mr. STEVENS: Does the government consider itself bound by that agreement?

Mr. GRAHAM: Parliament can do anything it likes with any agreement.

Mr. STEVENS: Does the government consider itself morally and legally or morally or legally bound by that agreement?

Mr. GRAHAM: As I pointed out to my hon. friend—perhaps he was not in—I took his view of it, that they did not want any Crowsnest pass agreement. They would prefer to have none. Many people feel in that way. Other people feel that they would like to have the agreement. We believe this was a middle course that would be fair to all the people of Canada.

Mr. STEVENS: Does the government feel it is bound by the Crowsnest pass agreement of 1897? I am not asking the minister if he is going to take a middle or a right or a left course.

Mr. GRAHAM: It is bound by the Crowsnest pass agreement just as my hon. friend is, until it is changed, and we are proposing to change it now.

Mr. COOTE: Why would the minister expect the Board of Railway Commissioners to take into consideration the new condition existing as regards farmers shipping their grain to Vancouver any more after this legislation passes than they did when the last application was made to them?

Mr. GRAHAM: There may be something in the suggestion that the Governor in Council has asked the Board of Railway Commissioners to make a thorough investigation into the rate structure and to endeavour to make an equality of rates so as to give all the people of Canada a fair chance.

Mr. MEIGHEN: Will the minister not admit that the railway commission was instructed to do exactly the same thing in 1920?

Mr. GRAHAM: I do not know; I do not remember.

Mr. MEIGHEN: I have the order in council here.

Mr. GRAHAM: It is a good thing.

Mr. FORKE: The Crowsnest pass agreement will be the basis for the rate structure.

Mr. MEIGHEN: But the minister says not.

Mr. STEVENS: The minister has killed that in this bill.

Mr. GRAHAM: If the cross-examiners are through with the prisoner in the box, he will go on.

Mr. McQUARRIE: Will not the preference given under the Crowsnest agreement be retained? Will not the railway commission be obliged to recognize the fact that there is this preference of three cents?

Mr. GRAHAM: It is not a preference of three cents per hundred pounds on the present rate but on the rate that existed at the time

of the passing of the act, so that this preference will always exist so long as the Crowsnest pass agreement stands.

Now I shall come to the Maritime provinces. The Maritime provinces have a unique situation, one that anybody who has been connected with the Intercolonial railway will know something about.

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: We found it in bad shape under my right hon. friend's management and it has taken some time to get it straightened out. Everyone will agree to that. The Maritime provinces, I say, consider themselves in a unique position, and they are. They contend that under the terms of confederation they were to be given, in compensation for sacrificing the market to the south, access to the central markets of Canada. and a railway was to be built for that purpose and not with any idea of profit in view. And they have always contended, with some force, that this railway, so far as they themselves are concerned, should be run for the benefit of the people of the Maritime provinces, largely to carry out the object conceived and enunciated at confederation, that they should be enabled to place their products in the markets of old Canada, as this part of the Dominion was then called, seeing that they had given up their markets across the line. If that is the case, they are entitled to the fullest consideration. But it will be argued that the road is being run at a loss. I am not going to discuss that question, but I do say that the contention of the Maritime provinces, now that we are endeavouring to clear up the rate situation with a view to placing all parts of the country on a basis of equality, ought to be, as it will be, fully considered. And the order in council refers to that situation.

In 1919 certain rates were raised very materially, and to this increase the Maritime provinces seriously objected. The Governor in Council, very wisely as I think, understanding something of the situation, calls the attention of the Board of Railway Commissioners to the feeling in that part of the country and asks that it be given consideration when the board comes to make its rate structure. I will not dilate further on this matter, but what the government has in view, and all that it has in view, is to bring about in Canada a better feeling among the different sections of the country in relation to this question of transportation. Now, freight rates in Canada are high, but they are lower in this country than they are to the south of us; and we can never expect as low rates here as we had years ago, because the cost of transportation will never come down sufficiently to allow them to be reduced to the point where they were fifteen years ago. But there is a basis of equality that may be found, and we hope that under this legislation, in which the Board of Railway Commissioners, with the restrictions to which I have referred, is given a free hand throughout the Dominion, a better condition will result from the reconstruction of the rate fabric, so that there will be in the future a greater degree of contentment on the part of all the provinces of Canada, who will feel that they have been given a fair show in the fixing of rates for the carrying of their products.

Mr. HUDSON: Has the Canadian Pacific Railway made any specific requests to be relieved of its obligations under the Crowsnest pass agreement in whole or in part?

Mr. GRAHAM: No.

Mr. HUDSON: It never has?

Mr. GRAHAM: The idea of getting rid of the Crowsnest pass agreement I have already discussed. The Canadian Pacific Railway has never in specific terms asked for relief from the burden, but as I have pointed out, it has indicated quite clearly in our discussions that the conditions have so changed that, in the interests of the entire railway system of Canada as well as of the country generally, a change should be made.

Mr. HUDSON: Does the minister not understand that as a request for relief?

Mr. GRAHAM: I thought my hon. friend was going to ask me to produce correspondence as to any such request. There has been no correspondence of that nature.

Mr. HUDSON: Does not the minister take their contention as a request?

Mr. GRAHAM: I take it as a strong suggestion.

Mr. HUDSON: This amendment proposes to eliminate all agreements outstanding including the Crowsnest agreement. Has the minister taken into consideration the fact that what is known as the Manitoba agreement is now in litigation before the Privy Council?

Mr. GRAHAM: I have considered that fact, and there may be a score of similar agreements. But if we are to have a rate structure that is at all equitable parliament must take a strong stand on these agreements;

and it has been held, if not by the courts at least by the Board of Railway Commissioners, that the Manitoba agreement does not hold under the present condition. The Supreme Court of Canada has held that Manitoba is in exactly the same position as other places that are under the Crowsnest pass agreement so far as restricted territory is concerned, although, I believe, that province has appealed to the Judicial Committee of the Privy Council. Undoubtedly, if some legislation is not passed, the other provinces will take the same action on the decision of the Supreme court. They are therefore all practically in the same position.

Mr. MEIGHEN: Is not the minister asking the House to legislate away Manitoba's right?

Mr. GRAHAM: I do not think that Manitoba has any rights particularly in this regard, any more than other provinces.

Mr. MEIGHEN: The minister is assuming the position of the Privy Council.

Mr. GRAHAM: No.

Mr. MEIGHEN: I think he is.

Mr. STEVENS: The proposal to put the various sections of Canada in the position to feel that they are receiving reasonable and fair treatment in regard to the very important and complicated question of freight rates has been before parliament for some time. The matter has been before the country for a number of years, and at the opening of this session a few months ago the government informed parliament that they had addressed themselves to the whole situation and purposed introducing a measure which they expected and hoped would solve this all perplexing problem. Let us view the legislation which the minister (Mr. Graham) has now submitted to us. That this legislation solves the freight rates problem, or even that it offers a medium of compromise, I think no one will assert with any very great confidence. The measure before us now may answer, to the satisfaction of the government, a pledge to bring in legislation, but that it will relieve in the slightest degree the consciousness of unfair treatment now permeating certain sections of the country, I think cannot be claimed under any circumstances. Indeed, I believe it will accentuate that feeling.

It is not my intention to delay the committee with a long detailed analysis of this proposed legislation, but I want to make very clear my position in regard to it and to the question of transportation in a broad way. I have argued in this House and before my own constituents and the people of my province for certain principles which I think should underlie and govern the making of a freight rate structure. I have argued that the fixation of rates is such a complicated problem that it should not be pitchforked into parliament, but rather that it should be dealt with by a competent board, that board in my estimation being the Board of Railway Commissioners. All through the years that this matter has been under discussion, indeed in recent years when it has been the most acute problem in my own province, I have adhered very closely to that stand. I believe that if the government had in its proposed legislation stuck strictly to that main principle there would not have been so much to complain of to-day; but they deviate from it in that they extract from a certain agreement, based upon a statute of 1897, one part and seek to perpetuate it in this bill.

Further, I took the stand a year ago when this matter was before the Privy Council on appeal from the railway board, the stand that I have taken on the public platform, that the Crowsnest pass agreement had outlived its usefulness, that it was obsolete and should be abrogated. Among the reasons which I advanced then and repeat now why I think that course should be taken are the following. First, I contend that while the Crowsnest pass agreement was a contract between the Canadian Pacific Railway on the one hand and the people of Canada as represented by parliament and the government on the other hand, if in the lifetime of the contract conditions so change that one or both of the parties consider that its terms should be varied to meet those conditions, such variation can be made with the consent of both contracting parties. Now as a matter of fact, the people of Canada at large and the government are convinced that that contract should be abrogated; and the Canadian Pacific Railway, the other party to the contract, has appealed to the railway board and the committee of the Privy Council for its abrogation. So I contend there is no obstacle to the setting aside of that contract.

Another reason why in my estimation the statute should be repealed is this. The contract was made in 1897 when the control of freight rates was far different from that which obtains to-day. At that time the railways filed their tariffs with the Department of Railways, and the Railway Committee of the Privy Council either approved or disapproved

them, as the case might be. But in 1903 parliament, under the leadership of the late Sir Wilfrid Laurier, erected what is
5 p.m. known as the Board of Railway Commissioners. I pause here to repeat what I have said on other occasions, that of all the public acts of Sir Wilfrid Laurier, that was the greatest of his career and one for which he and those who were associated with him deserve the fullest credit. That Board of Railway Commissioners won and held the confidence of the people of Canada for the way in which it administered this highly technical act, and only in the last couple of years has there been any question of the fairness of the board—with that I shall deal in a moment. With this change in conditions the usefulness of the Crowsnest pass agreement passed away; and I remind those who to-day seek to retain the agreement that down to 1916 the ordinary rates allowed by the Board of Railway Commissioners were not above those of the Crowsnest pass agreement, so there was no question of invoking the agreement to protect the public interest.

Mr. FORKE: The hon. member is aware how that came about, I suppose? It was owing to the Manitoba agreement having lower rates than the Crowsnest pass agreement—it was to avoid discrimination.

Mr. STEVENS: The rates generally were lower. I am not advancing that in any spirit of criticism, I am merely stating the fact. Now, this is the point I wish to impress upon the House. The war brought about a revolution in the economic structure of this and every other country. In other words, a dollar which previously would purchase a given quantity of goods, or in this case a certain quantity of freight service, shrunk so that it would not buy more than forty per cent and in some cases thirty per cent of what it did in pre-war days—the purchasing power of the dollar was very much reduced. Therefore to-day under these new economic conditions it is not fair that there shall be a constant scale of freight rates. Transportation service must fluctuate in value the same as other services, or on the other hand ruin must come to those who are bound to carry on the transportation of the country.

Mr. CAMPBELL: Is it not a fact that the commodity rates under the Crowsnest pass agreement from eastern to western Canada are still higher than the prevailing rates for the same commodities for similar distances in eastern Canada to-day?

[Mr. Stevens.]

Mr. STEVENS: It may be. I do not desire to enter into a discussion of the whole question of transportation. I am prepared to do so under other circumstances, but to-day it would take up too much time. There are other factors that enter into the question. The factor that we are dealing with now is the retention of a portion of the Crowsnest pass agreement in this bill. But I would say to my hon. friend, so he will see I am not unaware of the point he is suggesting, that there is a very vital factor involved, one that is purely economic—the competition of water carriage.

Now, I state emphatically that I stand for the railway board having supreme control of freight rates throughout the Dominion. Secondly, I am wholly in favour of the complete abrogation of the Crowsnest pass agreement, or any similar agreement, for the reasons which I have stated.

Mr. McTAGGART: In 1897, at the time the Crowsnest pass act was passed, was it not then contemplated that a Board of Railway Commissioners should be appointed, and were there not contained in the agreement at least two provisions which were not to come under the control of the Board of Railway Commissioners when appointed?

Mr. STEVENS: I think my hon. friend is wrong. I do not think the appointment of a Board of Railway Commissioners or a structure such as was subsequently erected under the consolidated Railway Act of 1903 was under contemplation at that time, or even in sight, when that act was passed. Indeed, it was a product of experience; it was a process of evolution. The whole history of the freight-making authority or control in Canada is most interesting, and the appointment of a Board of Railway Commissioners in 1903 was the culmination of our various experiences and efforts.

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

to deal with the west first—but, he says, if a prairie farmer or shipper in Alberta or in the extreme western prairies desires to get his grain to the seaboard on the Pacific, the Board of Railway Commissioners must not consider the rates that are charged for the movement of that grain eastward. The minister by this statute deliberately prevents the Board of Railway Commissioners from considering those rates at all.

Mr. MACDONALD (Pictou): Where does my hon. friend find that?

Mr. STEVENS: The minister has spent an hour telling us that that was his intention. Where do I find it? I find it in the amendment the minister has introduced since the bill came before us.

Mr. MACDONALD (Pictou): No.

Mr. STEVENS: Oh yes; my hon. friend was not in his seat perhaps. But the iniquity of this whole thing is this: The minister introduces this bill, and particularly clause 6, which I interpret, as do many others who are better qualified than I am, as eliminating the contention that the Crowsnest is a contract rate and therefore cannot be pleaded as an excuse for discrimination. That clause does that, and permits the shipment of grain from the prairies westward the same as eastward. The minister has introduced since the bill has been before the committee an amendment whereby he limits the application of clause 6 to the territory previously covered by the Crowsnest pass agreement.

Mr. MACDONALD (Pictou): I do not know where my hon. friend gets the authority for any such interpretation as he puts on the original bill. I venture to say that no legal gentleman would construe the statute in the sense that he is doing it.

Mr. STEVENS: The minister himself did. My hon. friend knows that I do not pose as an authority on law; I never have, although sometimes I have been accused of being a lawyer.

Mr. McMASTER: Complimented.

Mr. STEVENS: No, accused of it, I said. But I have the opinion of those who are much better qualified to judge of the legal merits than I am, and I myself read that into the statute. I say that clause as it originally stood would have permitted the Board of Railway Commissioners to fix a rate westward similar to the rate eastward, other things being equal. Of course, it is possible to plead other reasons for a higher rate westward, or a lower rate for that matter, but so far as the Crowsnest agreement is concerned, it could not have been pleaded as an extenuating circumstance that it was a contract rate and therefore not applicable.

But the point I was making was this: The Board of Railway Commissioners have not a free hand at all. In one respect, and in a very important respect, they go into this investigation of freight rates with their hands tied. Furthermore, I want to point this out, and this is a question I put to the minister when he was elucidating the bill, but he escaped or evaded answering me. Do the government feel themselves bound by the Crowsnest agreement? Do they retain this section of it because they are morally or legally bound to do so? I asked the minister that question, and he would not answer me. I do not think the Prime Minister would care to answer it.

Mr. MACKENZIE KING: The Minister of Railways had better reply.

Mr. STEVENS: I compliment the Prime Minister on the skill of his answer. He does not desire to answer. Let me answer it for him. The government know perfectly well they are not bound by the Crowsnest pass agreement. Then why do they retain a portion of it?

Mr. MACDONALD (Pictou): Does my hon. friend mean to say that the decision of the Supreme Court of Canada as to the effect of that agreement is not in effect in the terms laid down by the court?

Mr. STEVENS: I am not desirous of reflecting on the decision of the Supreme court by describing it as a red herring, but the minister is endeavouring to draw a red herring across the trail at this point. What I am discussing is this: If the government argue that they were bound by the Crowsnest pass agreement, then they are bound by the whole agreement. If they are justified in scrapping a portion of that agreement, they are justified in scrapping it all. I want—shall I say?—to take away from the government the excuse that they are legally or morally bound to bring in the statute in the form in which it is. Their hands were absolutely free to bring in any statute that would abrogate the Crow agreement in its entirety, but they have chosen to preserve a section of it, and why? We have not heard from the minister why. I presume the reason is this: They want to curry a little favour with my hon. friends from the prairies. There is no other reason. My hon. friends will not take that in an offensive way; I do not offer it as such, but

I am pleading my own cause. If the government are justified in making a fixed and statutory rate for grain and flour for the advantage of certain sections of Canada, then I say they owe it to us in British Columbia to give us equal treatment in that regard, to give us the same rates to the Pacific coast. But I am not asking them to do it. I am asking them to abrogate the whole thing and to let it rest, as the minister intimated he was prepared to do, and give the Board of Railway Commissioners a free hand. I do not ask special privileges, but I do ask for the province of British Columbia the opportunity to plead its cause on a firm and even basis. I ask for the opportunity for my province to come before the board and say: Here are the economic conditions; here are the reasons why we ask you for a freight rate structure of a given standard. But instead of that, the government is saying to the province of British Columbia: If you go before the Board of Railway Commissioners, you go there with one hand tied behind your back. There is no escape from that.

Mr. MACDONALD (Pictou): How do you make that out?

Mr. STEVENS: My hon. friend knows it perfectly well. I do not wish to labour the point. As I have already stated twice, the minister by his amendment limits the application of clauses 6 and 5 to the territory previously covered by the Crowsnest pass agreement, and that did not apply to British Columbia.

I have before me a copy of the Vancouver Morning Sun of June 6, 1925, and on the front page I see the photographs of three lions of the Liberal party, Premier Oliver, the Hon. Dr. J. H. King, and Mr. G. G. McGeer. These are the three men to whom credit is due for what they secured for British Columbia at last, the opportunity of pleading its cause, as the Minister of Railways describes it, with a free hand. I wonder what the Minister of Public Works has to say as to the amendment the Minister of Railways has introduced. I wonder what the Minister of Public Works (Mr. King, Kootenay) has to say as to the amendment that the Minister of Railways has injected into this bill thus depriving him, depriving his province, and depriving his associates of the possibility of going before the railway board with free hands, literally tying their hands behind their backs. Let me read a passage or two from this eulogy of the minister:

> It is only the first trench in the west's campaign for justice. To relax efforts now would be suicidal.

They look upon this order in council and this bill of the Minister of Railways as a great victory. The Sun has this further to say:

> The Hon. J. H. King, British Columbia's representative in the Mackenzie King government, was radiant with optimism as he commented on the government's order that equalization of freight rates should be taken in hand forthwith.

What a travesty! What a mockery! Here the government come out with an order in council in which they say to the railway board in a sense: "Now go to work and equalize freight rates. Give to British Columbia, give to the Hon. Dr. King"—I am referring here to the Minister of Public Works—"give to the Hon. John Oliver, give to Mr. Jerry McGeer"—the $150,000 advocate of the provincial government—"the right to equalize freight rates," a thing they have been fighting for for years; and then having sent that broadcast over the country, having secured a considerable amount of acclamation from its people of that province, the Minister of Railways brings in this bill which deliberately hangs them after they have been eulogized in this fashion. The Sun goes on to say:

> The railway board is to be unfettered in its investigation except in regard to the eastbound rates on grain and flour. On these the maximum established under the Crownest pass Act is not to be exceeded.

On the interpretation of the order in council, on the interpretation of the bill as the Minister of Railways introduced it, the eastbound minimum rate was to apply to the westbound traffic as well; and the Minister of Public Works knows that. He knows that was expected. He knows that his friends in British Columbia congratulated him on obtaining that. Now the Minister of Railways interjects three little words—"in the territory"—and the whole dream, the whole aspiration, the entire hope is destroyed and proven to be only a delusion and a snare. It is not my intention to labour the point; I simply want to make my own position clear. It is this: that insofar as the transportation problem is concerned I believe it should be left unfettered, and in the true sense unfettered, to the Board of Railway Commissioners.

I did intend to say a word regarding the Board of Railway Commissioners. I have heard some hon. members of this House say that they have not confidence in that board. The Hon. John Oliver, Premier of British Columbia, intimated in an interview which he gave the other day that he had not confidence in the Board of Railway Commissioners. I want to say that this circulating of the spirit of distrust in the Board of Railway Com-

missioners is one of the most lamentable things that I know of. I think it is unfortunate and wholly inexcusable. The Board of Railway Commissioners ought to have the confidence of the people of Canada, and if they are shackled by the government in going into this problem then they will have great difficulty in escaping the charge of being actuated by influences other than those of equity and justice. And so I say this government should be the last to interfere with the board in the free exercise of their powers and of their wisdom. I plead with this House that we should scrupulously avoid giving out to the public any idea that this court—one of the finest ever established in Canada—is anything but a sound, and a fair, and a just court. Having encouraged the confidence of the public in the Board of Railway Commissioners I believe our duty is to leave the problem with them free and unhampered from any restriction whatsoever.

I repeat again my other point and it is this: The Crowsnest pass agreement as such is obsolete, it has outlived its usefulness. I agree with the minister that it is impossible, but I go further than the minister and say that a thing that is impossible, a thing that is obsolete, should be abrogated in toto, and not one section of it retained to pester and worry the people, and interefere with the harmonious and equitable adjustment of these matters.

Mr. ROBERT FORKE (Brandon): I think we all realize the difficulty of the situation in regard to the railway problem in this Dominion of ours. Canada is a country of vast distances, with a sparse population and railway deficits to be met year after year. We want to keep these facts in mind at all times when discussing railway problems and railway rates. However, we recognize the fact that the railways must operate. The Minister of Railways and Canals (Mr. Graham) in his speech this afternoon pictured a condition in which the railways would be unable to operate. Of course, we know that will never happen for the simple reason that the people of this country are interested in the railways and realize that their interests are indissolubly bound up with them. But there is another side to the situation. Agriculture and industry must also function, and we must endeavour to preserve, as far as we possibly can, a proper balance between the operation of our railways and the successful prosecution of agriculture and its allied industries, to say nothing of the industries of the country as a whole. These are things that we must keep in mind.

I hope to convince the House that in speaking as I am I am not expressing any sectional point of view; that while I am speaking in behalf of certain interests and keeping them in mind, I am just as anxious as anyone else to see that the country as a whole shall prosper, that all parts of the Dominion shall get equal opportunities to prosper and progress as we hope they shall in the future. While dealing more particularly with the western prairie provinces anything that I may say will not be said in any sectional spirit, but due regard will be paid to the national interests as a whole.

The order-in-council which preceded the bill we are now discussing admits the principle of maximum rates. To prove the truth of that I shall read an extract from the order-in-council itself to the following effect:

> The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great grain-growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present in force under the Crowsnest pass agreement, should not be exceeded.

This is a frank admission that this question is not a local one but is a question of national importance which affects the prosperity of the whole Dominion. In dealing with the question of transportation and the different rates on grain from the west to the east comparisons are sometimes made between the rates on the Canadian side and the rates on the American side. In that connection I should like to read the following extract:

> 2. The spring wheat areas of the northwestern states, Montana and the Dakotas, have the advantage of geographical location in being situated so much nearer lake Superior, and the great bulk of the grain is a comparatively short average haul as against the longer average haul from the prairie provinces to Fort William and Port Arthur.
>
> 3. It had also, no doubt, in mind that the producers of the western provinces have to compete with the remainder of the world in marketing their wheat and the foremost competitor is the Argentina republic. The average haul from Argentina to the shipping ports is 140 miles. The average haul from the western provinces to lake Superior is between 800 and 900 miles and before the ocean haul begins there is the water haul, Fort William to Montreal, during the season of lake navigation, the average rate for which last year was about 11 cents per bushel.
>
> 4. These rates on grain and flour from the prairie provinces to lake Superior were, with other rates on various commodities, provided for in the Crowsnest agreement between the government of Canada and the Canadian Pacific Railway in 1897. Several millions of dollars were paid the railway as a subsidy, as part of the bargain; the rates were thus bought and paid for.

I know that conditions have changed to some extent since that time. At the same time we must bear in mind that many hundreds of thousands of people who went into the prairie provinces knew that the agreement was in force, and were led to believe it was a permanent agreement, and that it had fixed the maximum rates on a permanent basis. However, I am willing to admit that I do not know very much about freight rates. The Minister of Railways also made that admission this afternoon.

Mr. GRAHAM: None of us know very much about the question.

Mr. FORKE: To adapt the words of the Good Book, it "passeth all understanding." I do not think anyone in the House will pretend that he understands the conditions. We hear a great deal about eastern and western rates. I know that many hon. members in the House will tell me that the rates in the west are very much lower than the rates in the east, and again we hear from people in the west that rates are lower in the east; each section seem to think they are paying higher rates than the other. I have a few extracts here which I do not think will be disputed.

Mr. LADNER: Does the hon. gentleman think it is fair, from the point of view of the prairies, that having established a policy of maximum rates on grain going eastward to the grain market, the government should have refused to grant the same rates, on grain going westward to Vancouver, where so much money is invested in the harbour and elevators?

Mr. FORKE: I should like to see the Crowsnest rates established on westbound traffic just the same as on eastbound traffic. I think that the case will not be so bad after all, because I believe the railway commission will have to take as a basis in fixing rates in the mountains the Crowsnest rates, perhaps plus the extra cost of transportation across the mountains. I trust they will do that. We have no statutory agreement as to that.

Mr. LADNER: Does the hon. member advocate the mountain differentials in that statement?

Mr. FORKE: I do not know what the mountain differential amounts to, but if it costs more to haul grain over the mountains, than it does to haul it over the prairies, I think the extra cost should be looked after in the rates.

[Mr. Forke.]

Mr. McQUARRIE: As a matter of fact, it does not.

Mr. FORKE: If it does not, then the freight should be hauled for the same rates. It is a matter for investigation. If it does not require any more cost to haul the same mileage through the mountains than through the prairies, the rates should be the same.

Mr. McQUARRIE: Does the hon. member know that the grade on the Canadian National from Vancouver to Edmonton is less than the grade from Calgary or from Edmonton to Fort William.

Mr. FORKE: I think I had better leave that matter alone, because I am not posted on it. The hon. member for New Westminster (Mr. McQuarrie) might be content with my statement that I am willing to give exactly the same treatment on grain being hauled west as on grain being hauled east as long as conditions are the same. I am going to quote a few extracts from a table I have here that I think will be correct. In comparing western rates with eastern I find that the rate from Fort William to Oak Lake, Manitoba, 585 miles, is 99 cents, and the rate from St. Catharines to Quebec, 584 miles, is 68 cents, showing that the western rates are 45 per cent higher. The rate from Fort William to Virden, Manitoba, 600 miles, is $1.02, and the rate from St. Catharines to Sherbrooke, 603 miles, is 65 cents, showing that the western rates are higher by 57 per cent. So that we find that rates are much higher in the west over the same mileage. The rate on binder twine from Fort William to Bagot, Manitoba, 491 miles, is 68 cents, and the rate from Montreal to St. John, New Brunswick, 488 miles, is 52½ cents, showing that the western rates are 30 per cent higher. From Fort William to Pilot Butte, Saskatchewan, 767 miles, the rate is 98 cents, and from Montreal to St. John, New Brunswick, 488 miles, 64 cents, so that western rates are higher by 53 per cent. The rate on agricultural implements from Fort William to Chater, Manitoba, 547 miles, is 62 cents, and from Hamilton to Quebec, 546 miles, is 49 cents; western rates being higher by 26 per cent. I could quote a good many more rates on exactly the same mileage in western Canada, compared with the rates charged in eastern Canada, and I may say it will be found in almost all cases that the rates are higher in the west than in the east, and all of them under the Crowsnest pass rates.

Mr. EULER: Are all these rates fixed on the same basis in both cases? Are they commodity rates?

Mr. FORKE: Rates on the same article.

Mr. EULER: But are they on a different basis?

Mr. FORKE: I do not know exactly where that comes in.

Mr. EULER: It might make quite a difference.

Mr. FORKE: I am speaking of binder twine which is a commodity, and from Fort William to Bagot, 491 miles, the rate is 68 cents, while the rate from Montreal to St. John, New Brunswick, 488 miles, is 52½ cents. I do not understand why a carload of implements should be any harder to haul from Fort William to Chater than from Hamilton to Quebec.

Mr. EULER: I am not questioning that, but I wanted to find out whether my hon. friend's basis of comparison was absolutely the same in both cases.

Mr. FORKE: I do not think they would be exactly the same, but I think I have stated it sufficiently to show that whatever the conditions are the west is not getting very much lower rates in any case than those they have been getting—not as low. The Minister of Railways went into the question very extensively this afternoon in connection with the establishment of the Crowsnest pass agreement in 1897. Those rates were lower in fact in many cases, owing to the Manitoba agreement with the Canadian Northern Railway. Those rates prevailed until 1917 or 1918. It was also pointed out this afternoon that the amendment now before the House, if it carries, will supersede the Manitoba agreement with the Canadian Northern Railway. The minister assumes, of course, that this agreement is going to be declared null and void. However, he is not taking any chances, and should it happen that the Privy Council should decide in favour of Manitoba, Manitoba will have nothing left but to pay the bill and to go on without getting anything in the way of reduction of rates. They will have to pay the bills in any case for appealing the case to the Privy Council.

Mr. MEIGHEN: And Manitoba paid the price for that agreement out of her own treasury.

Mr. McMASTER: As the poet says:

Two souls with but a single thought,
Two hearts that beat as one.

Mr. FORKE: The hon. member from Brome is waxing poetic. In 1918, under the War Measures Act, the railway commission was given authority to disregard the Crowsnest pass agreement. In 1919, statutory authority was given to the railway commission to abrogate the agreement until July, 1922. In 1922, as most of us are aware, a special committee was appointed by this House to inquire into the whole matter of transportation costs. I happened to be a member of that committee, and I remember a good deal about the proceedings that took place at that time. I recall that President Beatty, President Hanna and other railway freight experts for the two different railways appeared before the committee and, I think, giving evidence upon oath, stated that if the Crowsnest pass rates came into effect on grain and flour, tremendous deficits would occur on their railways. If I remember correctly, President Beatty said that the loss on grain alone on the Canadian Pacific would be $14,000,000, and President Hanna said that the Canadian National Railways would lose $7,000,000. As a matter of fact, in the following year after the Crowsnest pass agreement had come into operation on those commodities the railways I think made more money than they had ever made before. Therefore, the lugubrious prophecies that these gentlemen made at that particular time were entirely wrong. They were many million dollars out. The final report on Crowsnest pass rates on grain and grain products was submitted to this House. I am sorry to say that hon. members to my right opposed that report very strenuously and took exactly same stand as they take to-day. They do not move. They seem just to stay put all the time. Therefore, I am afraid we are not going to get from them very much support along the lines that I would advocate this afternoon.

Mr. MEIGHEN: If we were inconsistent, we might be taken for Progressives.

Mr. FORKE: I would point out to the leader of the opposition that the greatest men we read about in history have been men who have advanced with the times. I would refer to the Right Hon. William Gladstone who commenced his career as an extreme Tory and who died almost a Radical. No one to-day will find any fault with his career. There is hope for the leader of the opposition even yet. The hon. member for West York (Sir Henry Drayton) moved an amendment at that time. I will read it just to prove how exactly and solidly they stand in just the same position as they did at that time. It reads:

1. That while the Board of Railway Commissioners remains as it is now a tribunal constituted by parliament to fix railway rates without discrimination and in

accordance with changing conditions and to meet the needs of the country as a whole, it should be left free to perform such duty without dictation from this House and subject only to review by the Governor in Council as in the Railway Act provided.

I do not think I will read all the amendment that was moved by the hon. member at that time.

Mr. SPEAKMAN: Read the last paragraph. It is interesting.

Mr. MEIGHEN: Read it all. It is the best part of the speech.

Mr. FORKE (Reading):

2. That large and general reductions of freight rates particularly on basic commodities are not only obviously demanded in the national interest but are admitted by all concerned to be possible and to have been possible for several months and action to that end by the railway commission has only awaited the decision of the government and of parliament as regards the Crowsnest pass agreement.

3. That to enable the railway commission to carry out its duty as defined above such board should be empowered to suspend the said agreement, such suspension to be followed immediately by submission to the Governor in Council of a new schedule of rates as reduced by the commission, the suspension to be revocable if such schedule is not approved by the Governor in Council but otherwise to continue for one year within which time the will of parliament may be again expressed.

The final report submitted by that committee to the House was that the Crowsnest pass rate on grain and grain products should come into effect; that the rates on other articles mentioned in the Crowsnest pass agreement should be abrogated for one year, and that by order in council the government might suspend it for another year.

Mr. GRAHAM: I want to correct an error that I entertained myself until a few days ago. The Crowsnest pass agreement does not speak of grain and grain products; it refers to grain and flour.

Mr. FORKE: I think I knew that, but I thought I would repeat that phrase as often as I possibly could. It is a better phrase.

Mr. GRAHAM: It was not in the act, though.

Mr. FORKE: That condition of affairs remained until July 6 of last year when the Crowsnest pass agreement came again into full force. It is needless for me to take up any of the time of the committee in discussing what has happened since then. We know that immediately after it came into operation we had railway rate discrimination. I am not very much concerned so far as that goes as to what happens to the bill that is before the House at the present time. I feel prefectly satisfied that in any case neither the government nor the railways could allow this matter of discrimination to continue. I have an idea that it was rather clever strategy on the part of the railways just to bring about the condition of affairs that now exists by putting that into effect, and I do not think that discrimination can or will continue, no matter what happens to the legislation that is now before the House. We had the decision of the railway commission that, instead of remedying the discrimination, wiped the agreement off the slate altogether. My hon. friends to the right say that we should have complete faith in the railway commission. That sort of thing did not tend to give us very great faith in at least some of their decisions. Then we had the decision of the Supreme court, and again we have the Crowsnest pass rates put into effect with the discrimination that has been spoken about this afternoon. Finally we now have the amendment which is before the House.

Why is the west anxious for statutory maximum rates? The hon. member for Vancouver Centre (Mr. Stevens), in his very eloquent speech this afternoon, wonders why the west want any particular legislation in regard to railway rates. The western prairie provinces occupy a postion that cannot be parallelled anywhere else in the civilized world at the present time in regard to agricultural conditions. We have in those three western provinces a great agricultural empire and yet we are in the centre of a continent far removed from the seaports where the products of those prairies must find an outlet. Consequently, they demand more serious attention than any other particular section of the country in regard to transportation costs. Transportation is vital to the prairie provinces. With rates that are unprofitable, rates that are too high to permit the carriage of agricultural products, it means bankruptcy for those provinces. Why are we anxious to have some maximum rates fixed? In the first place, it has been pointed out that the east has competition by lake and river to the sea, whereas in the west no such condition exists. British Columbia, which I am sure has many strong advocates in this House, enjoys ocean communication; it is a maritime province with seaports right at hand. British Columbia therefore is in many respects in a different position from the prairie provinces. The west wants maximum rates fixed, and fixed by an agreement, simply for the purpose of protecting itself from any exorbitant railway rates that it may be called upon to pay at any time. It is all very well to say, why not trust the railway commission? Well, certain things

have been promised us by solemn compact and we wish those things fulfilled; certain conditions exist which we want to see continue for our protection. For twenty-seven years we have had a certain agreement and now we are asked to give it up and trust to something else which we are told may prove as satisfactory. We are asked to trust to the railway commission, which would already have entirely wiped out this agreement if it had had the power to do so.

The commission is supposed to fix rates adequate to ensure reasonable dividends. Perhaps that is the first consideration with the railway commission—the fixing of rates to provide adequate dividends to the railways. But there is another point of view which one may take with regard to railway rates, that is, reasonable rates as between the railways and the communities served. That, I take it, should be the proper function of the railway commission. We feel a little uncertainty in giving up something sure which we already have for something else the nature of which we cannot conceive; and consequently I am inclined to stand solidly behind our agreement until we know exactly what we shall get. Maximum rates may occasion some trouble for the railways; but there is a great deal of trouble in this world anyway, and nobody gets a smooth path to travel all the way. The present amendment to the Crowsnest rates is to apply to grain and flour, while the rest of commodities are to go by the board. And what do we get in return? I think the Minister of Railways (Mr. Graham) said some time ago that the railways had made no request for the abrogation of the Crowsnest pass agreement. But I think they did in one way, because, if I remember rightly, when they appeared before the transportation committee they made certain propositions in lieu of the Crowsnest agreement. I have them here, taken from Hansard, and I think they are correct. The railways were prepared at that time to make certain reductions in lieu of the Crowsnest pass agreement. There was to be a twenty per cent reduction on grain rates, two-thirds of the way to the Crow rates, when ten per cent would have brought it to the level of those rates. There was to be a reduction of 16.66 on forest products and ten to twenty per cent per ton on coal, so that the average on building material and other basic commodities would have been about 18.3 per cent. And a complete suspension of the agreement was urged, in order that all other matters might be left to the railway board. I am inclined to think that the railway companies in 1922 were making as good an offer as we are getting to-day; they were proposing almost as low rates on grain, and a large reduction on a good many other commodities. If therefore we had accepted their proposition in 1922 we should be in about as good a position to-day as we are in if we accept the bill now before the House.

Mr. MEIGHEN: Better.

Mr. FORKE: Well, there would not be much difference.

Mr. GRAHAM: Were they to be statutory?

Mr. FORKE: No. Now, there is a great deal of difference between a promise made before a committee and an agreement which is embodied in a statute; and speaking for myself, as I am sure I am speaking for the other members representing the prairie provinces, I may tell the committee that we shall not be content with any mere promise. What we want and what we intend to fight for is some statutory fixing of maximum rates; in fact, we want the Crowsnest pass rates on basic commodities.

Mr. LADNER: The hon. member has intimated his approval of the idea that the same Crowsnest rates provided for in this legislation should also exist for grain going westward. Would he support an amendment to the bill to the effect that there shall be the same maximum rates westward as eastward?

Mr. FORKE: I do not see much objection to the proposal, but I am rather afraid to agree to very much change in the Crowsnest agreement for the simple reason that this might give the government some opportunity to say that as we were changing the thing anyway we might as well go a little further. However, the hon. member makes the suggestion and without thinking it over seriously at the moment I think I would be prepared to support an amendment to that effect if he would support what I ask for.

Sir HENRY DRAYTON: Would the hon. member support an amendment extending the provisions of the act to the farm produce of Ontario?

Mr. FORKE: I want to see some of these amendments before committing myself. I think the government has chosen a very opportune time to introduce this piece of legislation. The elections have just concluded in Saskatchewan and they are looming up in Nova Scotia; and I notice that the Minister of Railways has been making some very nice suggestions to the Maritime provinces.

Mr. GRAHAM: It is a great part of the country.

Mr. FORKE: I have a warm place in my heart for the Maritime provinces and I know something of their difficulties; I trust they will get the just treatment they deserve. It occurred to me, however, that this was rather an opportune moment for the government to bring this matter up. I have here an extract taken from the Manitoba Free Press. It is a report of a meeting that took place at Regina and I think it adequately expresses some of the ideas I have regarding the bill now before the House. It states:

1. That maximum statutory freight rates should be fixed on grain and flour not exceeding the rates on these commodities set under the Crowsnest pass agreement and that such rates should be applicable to the whole of Manitoba, Saskatchewan and Alberta.

I put emphasis on the next paragraph:

2. That proper equalization of freight rates throughout Canada is impossible without statutory provisions for maximum rates in those parts of Canada in which freight rates are not controlled by competitive water transportation rates—the principle which is recognized and admitted in connection with grain and flour in the proposed legislation.

I would point out that fact, Mr. Chairman, that the government recognizes the principle of maximum rates in regard to grain and flour. Then why lose sight of it altogether upon other commodities that are very important to the prairie provinces?

3. That the Board of Railway Commissioners for Canada should be instructed to equalize rates on grain and flour outward bound from points in Manitoba, Saskatchewan and Alberta, in any direction, with those obtaining under the provisions of the Crowsnest pass agreement.

I hope my friend from British Columbia is paying attention—I am afraid he has left the House.

Mr. CLARK: What is my hon. friend reading from?

Mr. FORKE: An extract from the Manitoba Free Press of provisions that were promulgated by a committee in the city of Regina, composed of representatives of the governments of the three prairie provinces.

4. That the Board of Railway Commissioners for Canada should be constituted as a truly national body with more equal representation from all parts of Canada in order that there may be proper understanding by the commission of the rate problems of the whole country.

That is "the western bill of rights on freight rates," Mr. Chairman.

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

[Mr. Graham.]

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 164, for the relief of Walter Thomas Pratchett.—Mr. Church.

Bill No. 173, for the relief of Samuel James Connor.—Mr. Church.

Bill No. 175, for the relief of Andrew Toulouse.—Mr. Church.

Bill No. 176, for the relief of Albert Plue Jessop.—Mr. Duff.

Bill No. 177, for the relief of Cecil Hunter.—Mr. Maclean (York).

Bill No. 174, to change the name of "The Dominion Woman's Christian Temperance Union" to "Canadian Woman's Christian Temperance Union."—Mr. Raymond.

SECOND READINGS

Bill No. 186, for the relief of Frederick Ethelbert Shibley.—Mr. German.

Bill No. 188, for the relief of Alfred Percival Selby.—Mr. Clifford.

Bill No. 189, for the relief of Charles Thomas Bolton.—Mr. Duff.

Bill No. 190, for the relief of Ada Durward.—Mr. Clifford.

Bill No. 191, for the relief of Edward James Hogan.—Mr. Hanna.

Bill No. 192, for the relief of Roger Alexander McGill.—Mr. Bowen.

Bill No. 193, for the relief of John Perron.—Mr. McKay.

Bill No. 194, for the relief of William Albert Everingham.—Mr. Bowen..

Bill No. 195, for the relief of Mary Ella Mackey.—Mr. Ryckman.

Bill No. 196, for the relief of Melvin Grant Cowie.—Mr. Garland (Carleton).

RAILWAY FREIGHT RATES

BILL TO AMEND THE RAILWAY ACT, 1919

The House resumed consideration in committee of Bill 181 to amend the Railway Act, 1919, Mr. Gordon in the chair.

Mr. FORKE: Continuing the remarks I made before six o'clock, I would like to say that in seeking the advantages we do under the Crowsnest pass agreement the west does not desire any favours at the expense of any other part of Canada. Nor are we animated in any way by a feeling of hostility to the railway companies. I think every one of us recognizes the fact that the railways and the people are inseparably bound together as far

as the prosperity of our country is concerned. So that when we seek to have maximum rates fixed by statute it is not with any idea of being hostile to the railway companies. The west, if it should prosper and develop as it ought to do, will in a few years produce a vast amount of freight both outgoing and incoming. Rightly or wrongly we believe that the solution of our railway problems lies very largely in the development of western Canada. There is no hostility towards, and no desire on our part to belittle, any other section or province in the Dominion, but we believe that in the west there is boundless room for expansion, room for a very large increase in population, with the result that the volume of freight both outgoing and incoming will be enormously increased. Consequently the prosperity of the west is indeed vital to this Dominion. Furthermore, it seems to me that this question of transportation rates is so vital that unless a proper solution is arrived at it will mean that the people out there will enjoy but a bare existence, or a degree of prosperity much less than they would under more favourable conditions. If the railways could show by any process of bookkeeping that the west was enjoying a cheaper rate than is enjoyed in eastern Canada, I think we would be quite amenable to reason and would be willing that our rates should be raised. On the other hand, we conscientiously believe that the west is paying its full share of rates at the present time, and that no other part of Canada is being sacrificed at the expense of the prairie provinces through the Crowsnest pass rates being put into operation.

Mr. CLARK: Does the hon. member suggest that British Columbia has not been sacrificed by the Crowsnest pass agreement?

Mr. FORKE: I would not agree to that proposition. At the same time I do not think we are showing any hostility to British Columbia or any other portion of Canada.

Mr. CLARK: Do not misunderstand me. I was asking whether the hon. member thought that some injustice had not been done to British Columbia as a result of the Crowsnest pass agreement and the schedule of rates proposed in this bill.

Mr. FORKE: I hardly think so. I am not very sure, but when the Crowsnest rates agreement came into operation in the western provinces, did the freight rates not come down in British Columbia at the same time?

Mr. STEVENS: No.

Mr. FORKE: I thought they did.

Mr. CLARK: They came down some time after.

Mr. FORKE: I cannot enter into an argument on that point. But as I stated, we were quite willing that all freight from the western provinces should have the benefit of the Crowsnest pass agreement.

Another thing we must keep in mind, no matter what difficulties British Columbia may labour under, is that she is a maritime province, has ports on the seashore and derives benefits therefrom which we do not enjoy in the prairie provinces at the present time. We hope that the time is not far distant when we shall have a port to the north of us in the prairie provinces, which will help to reduce freights. I might also mention another fact in connection with the prairie provinces. They are not in the least self-contained. They ship out and ship in. Westbound freight is very important to the prairie provinces for the simple reason that they are not manufacturing to any extent. Most of the goods they require are transported over a thousand miles, so that it is easily seen that westbound freight is very important to the prairie provinces. Perhaps the day is not as far distant as some of us might suppose when the prairie provinces will be to some extent more self-contained than they are at the present time, but it is vital to them that they should get the best rates possible both east and west, and it is perfectly natural, and only just and right, that when we have the agreement, something that has been bought and paid for, we should get the benefit of it, and we are loth to see a law placed upon the statutes of the Dominion that will abrogate any privileges we have enjoyed during the past twenty-seven years.

A good many people in our Dominion, I am afraid, wrongly conclude that they have to pay for the concessions which have been granted under the Crowsnest pass agreement. I do not admit for one moment that the west has not all the time been paying for the privileges which it enjoyed by having railway communication. That there have been deficits on the railway we all know, and we are all anxious that these deficits should be wiped out just as soon as possible, but I can see no future for our railways unless we have a very large expansion in our western provinces. That does not mean that we cannot have expansion in every province of the Dominion, but the conditions and the situation are different in the west, and it is most likely that the expansion will occur in the west in the not distant future.

The Prime Minister made a trip through the western provinces last year and gave some very glowing accounts as to what the government had done in regard to the Crowsnest pass agreement. I am going to read one or two quotations from speeches he made at that time. Speaking at Winnipeg he said:

Having stated that measures for the advantage of western Canada would also be of advantage to eastern Canada—

I want to call attention to that statement.

Premier King said the administration had restored the Crowsnest pass agreement after a careful inquiry by a committee of the House of Commons, and it was now in force as in the old days of the Liberal administration. "The question of discrimination is now before the railway commission," he said. "It would be improper while the matter is sub judice for me to discuss that question or express an opinion one way or another; but I believe that the system which has been adopted of having railway matters referred to a railway commission independent altogether of parliament, acting as fair-minded, honest and straightforward judges, will be found the most effective and most satisfactory manner of dealing with all questions of importance that arise."

Speaking at Saskatoon on October 7, the Prime Minister said:

When I spoke in Northumberland a few weeks ago, I defined policies and I defined them in the manner I will in western Canada. I intend to say the same thing in western Canada that I told them in eastern Canada. I haven't one message for the west and one for the east. I have one message for all Canada. I told the east that we were carrying out our promises made before election. The Crowsnest agreement was made by Sir Wilfrid Laurier and we were carrying out his policies. That was the statement I made in eastern Canada. It is the statement of our position in western Canada.

Again at Edmonton on October 11, the Prime Minister said:

On taking office he had sought to carry out the policies of Sir Wilfrid Laurier and hoped that we would obtain representation in the west that would enable him to follow out those policies to their conclusion. He reminded the gathering that it was under Liberal auspices that the Canadian Northern railway which served Vegreville had been built, and also that it was an early Liberal administration which had established the Crowsnest pass agreement; and the present administration which had restored it after it had been suspended by the Tories.

Now, Mr. Chairman, I believe the Prime Minister was quite sincere, and I almost think that in his heart to-day he would like to see those promises fulfilled.

Mr. MACDONALD (Pictou): Does the hon. member realize that the decision of the Supreme Court of Canada rendered some few months ago changes the whole situation with regard to the Crowsnest pass agreement?

Mr. FORKE: I understand the situation thoroughly, and I understand the decision that has been given by the Supreme court since the Prime Minister made those statements. But I am perfectly sure that parliament has the same power to-day as it always has had to remove any discrimination, and that in fact it could have removed that discrimination when it took place at the very time the Crowsnest pass agreement came into effect. The idea at that time was to wait until the decision of the railway commission in regard to discrimination was given. We had some dispute with the railway commission. Instead of removing the discrimination, the commission abrogated the Crowsnest pass agreement altogether. I am not blaming the government, but at the same time I know they could have removed the discrimination if they had so desired. I am sure the Prime Minister would like to see those promises fulfilled, and to let us have the Crowsnest pass agreement, or a quid pro quo in western Canada. Conditions have perhaps changed to some extent since 1897, but I want to repeat that the west will not be satisfied unless they have a maximum rate fixed for westbound traffic, just as it has been fixed for eastbound traffic. This is our Magna Charta. We are situated in the centre of the continent, and while hon. gentlemen claim they have tremendous faith in the railway commission, that commission is only human and we do not know what it might do. With respect to other parts of Canada, it would be a serious matter if they had to pay the maximum rates, but in the case of the prairie provinces it would not only be serious, but it would mean bankruptcy to the people of the west. Transportation through the western provinces is of more consequence than it is in any other part of the Dominion of Canada. That is the reason why we feel so strongly on this subject and are so anxious to see that the prairie provinces get a square deal in this matter.

In conclusion, I repeat that I have no thought of hostility towards any part of Canada. I know something about the troubles and difficulties of the Maritime provinces. I am sure we have the warmest feelings towards the people down there and we wish to see them prosperous and happy. The same is true with regard to British Columbia and the far west. We have the warmest feelings towards the people in that part of the country. We want to work hand in hand with every section of this Dominion in order to make it a happy and prosperous country.

Mr. LADNER: This question is of paramount importance to British Columbia. For nearly twenty years the governments, both Conservative and Liberal, have been fighting for fair treatment in regard to freight rates. The commencement of this contest was dur-

ing the premiership of Sir Richard McBride. To-day that province faces, perhaps, a more delicate situation than it has ever done in the past. The industrial, commercial, shipping and agricultural future of British Columbia stand in the balance. If the scales of justice and fair play weigh out equitable treatment on this important question, our future is assured and our province will prosper. This legislation is rather late in being brought down. I do not know of any question more important to the people of Canada than that of freight rates. It has been under the consideration of parliament for the last three years or more. Evidence in great detail and from men best qualified to give it has been taken before a special committee; hearings have been had before the Board of Railway Commissioners; reports on previous occasions have been made to the House; legislation has been brought down, and at this juncture, on the eve of an election, the government brings forward a policy which is capable of being interpreted as being calculated to remedy the ills or grievances of every particular section of the country. The order in council is of a very general nature. The legislation, however, is specific on one point, and that point seriously and vitally affects the province from which I come. The legislation states in clear terms that maximum rates on grain and flour moving eastward are fixed according to the Crowsnest pass agreement, but the Crowsnest pass agreement, which was limited formerly to certain areas or districts, is now made applicable to both railway systems, and in order that the government may be more specific in its intention, notice has been given by the Minister of Railways and Canals (Mr. Graham) that an amendment will be made making it very clear and precise that the advantage of comparatively low rates on grain and flour shall not be given to British Columbia.

In my opinion, that is politically an affront to the people of my province. They have carried on the fight for many years. The merits of the case cannot be and never have been denied. It seems to me that the whole point involved in this discussion, so far as British Columbia is concerned, is this: On what principle or basis of reasoning does the government grant a special right and privilege for grain moving eastward to a certain market and deny that same right and privilege for grain moving westward to the same market, the government having spent many millions of dollars on grain elevators and port development in the city of Vancouver? Has the government an answer to that question? I wonder if there is even a plausible excuse. I wonder if there is any excuse at all, beyond the plain, patent fact that it is an act of political expediency on the eve of an election in order to gain the support of the middle west provinces. I do not think I am overstating the case in putting it in that way. We, in the activities of the House, are well aware of the suggestions and manoeuvring backward and forwards which for many years have gone on in connection with the Crowsnest pass agreement, the rates of which, so far as they affect British Columbia, were simply iniquitous. No one will deny that. Now, when it is seriously the intention of the government to tackle this great question, one that goes to the root of our economic body, of every activity which we have, industrial, commercial and otherwise, instead of taking hold of it in a statesmanlike manner in the interest of the whole nation and giving to an expert body who understand the problem and the complications of the matter, authority to determine the question from one end to the other, they give the Board of Railway Commissioners authority to determine the question on everything but grain and flour moving eastward. I am not saying that the middle provinces have reason to be displeased with the measure of success which they have obtained. The point which I wish to make and which I would ask the minister to answer now if he can, is this: On what basis of reason, policy or fair play, does he determine a course of legislation which fixes definite maximum rates on grain moving eastward to a certain market but denies them on grain moving westward to the same market?

Mr. GRAHAM: I have answered it at least four times this afternoon. The fact is that the Crowsnest pass agreement is allowed to remain on the statute book as regards grain and flour. The Crowsnest pass agreement never affected British Columbia, and there is no clause in the bill or in the amendment which has any reference to British Columbia or that will in any way affect the decision of the Board of Railway Commissioners adversely to British Columbia.

Mr. LADNER: I think the minister's explanation is a very weak one.

Mr. GRAHAM: That is the hon. member's opinion, of course.

Mr. LADNER: There are two features of his explanation. One is that the Crowsnest pass agreement does not affect British Columbia. The Crowsnest pass agreement vitally affects British Columbia, because since the

agreement was made, we have had the Panama canal opened giving a new outlet for grain leaving this country and a new route for goods to come in from Europe and certain portions of eastern Canada. The minister has entirely forgotten that the whole situation in regard to the shipment of grain from the prairie provinces has been changed. As to the other point that the Crowsnest pass agreement is allowed to remain on the statute book, what the government are really doing is to allow the two items of grain and flour to remain there.

Mr. GRAHAM: That is what I said.

Mr. LADNER: They are cancelling eleven other articles of far-reaching effect. Having put the pruning knife on the tree, why not prune it properly and make it look decent and fair? If they are going to change the Crowsnest pass agreement, as they must do in order to cancel the eleven other articles, they might just as well, in order to be consistent and carry the policy of fairplay to the other portions of the country affected, make a little addition and say that this rate will apply, not only to grain and flour moving eastward, but to grain and flour moving westward. The minister is quibbling on the matter. This does not go to the root of the problem. I repeat that laying down a policy on a matter of such overwhelming importance to the country, definitely fixing the rate on grain moving in one direction to a given market, and specifically and intentionally denying it to grain moving westward to the same market, is not only inconsistent; it is farcical. It is pure political expediency and nothing else in view of an expected election this fall. In making these remarks I do not wish to cast any reflection on the Progressive members to my left. They have felt themselves under an injustice in the matter of freight rates and they have fought for the interests of their section of the country; and the government has been weak enough to yield to this sectional demand without proper regard to other portions of Canada.

Mr. CAMPBELL: I hope the hon. member does not imply that members in this section are not as much interested in securing lower rates on grain and flour to Vancouver as are members from British Columbia.

Mr. LADNER: Not a bit. I quite understand that hon. members to my left are in accord with us in the view that the rates should extend to westbound grain, inasmuch as the commodity goes to the same markets and is produced by the same people. So far as British Columbia is concerned, when the order in council appeared it was published in a local newspaper there which had taken a very active and aggressive part in the freight rates question. A report was published spreading right across the paper and a great deal of credit was given to the government on account of the fact, as alleged in the report, that a new era had dawned for British Columbia. On that same day, the 6th of June, editorials appeared in both the leading Vancouver newspapers, and for the information of the committee as well as the members of the government I should like to read one or two short extracts from these articles. The Vancouver Province in its leading editorial of that date says:

> "Equitable treatment" is the thing British Columbia has been fighting for. We have never asked for more. We shall not be content with less. And there is very good reason to believe that with the practically free hand now given the railway commission, we shall achieve our end. Practically since its establishment, the railway commission has devoted itself to the ironing out of unjust discrimination, wherever found, and there are many precedents in its past decisions. The limitation of its powers under the Crowsnest Act brought it to a full stop. Now, it can get under way again.

Further on the editorial has this to say, which I would commend to the attention of the minister:

> Two things British Columbia has been seeking in her freight rates fight: an equitable rate on grain, westbound, which will enable us to reach farther into the prairies for cargoes to fill our ships; and an equitable rate on other commodities moving from the Pacific coast eastward which will enable our manufacturers and wholesalers to get a fair share of the prairie business.

In the Morning Sun of June 9, three days afterwards, that newspaper reconsidered its position and editorially advised the government and the Prime Minister in these words:

> In their order-in-council requesting the railway board to equalize freight rates, Premier Mackenzie King and his colleagues have shown a vague intent to do the west justice.
>
> That vague intent is not good enough.
>
> The order-in-council decrees that the Crowsnest maximum rate on eastbound grain shall not be exceeded. It would have been just as easy, instead of generalizing on equalization, to have said plainly and definitely that that maximum Crowsnest rate on grain should not be exceeded eastbound or westbound.
>
> Nothing less than such a plain definite statement can actually bring British Columbia into the Canadian confederation.
>
> Nothing less can give the people of British Columbia full Canadian citizenship.
>
> The task of making British Columbia a Canadian province or an alien province rests with Mackenzie King, not with the Railway Board.

There you have the views of two newspapers, one of no particular political complexion and the other frequently a supporter of the government. But I commend to the government the words of a gentleman well informed on

this question and on all its intricacies, an ardent supporter of the present administration, an aggressive, fighting leader of the Liberal party in British Columbia, Premier John Oliver. He has never been known to sympathize with anything that savoured particularly of Conservative policy, nor has he ever been known to support the Conservative cause in any way whatever. Let me read from a signed statement given by Mr. Oliver to the local newspapers, which statement I would urge the government to consider carefully. Mr. Oliver says:

I say, without any reservation, that under the proposed legislation the Board of Railway Commissioners may allow any discriminatory rate against the westbound movement of grain and flour, either for export or home consumption, and while I have no desire or intention to in any way reflect upon the honour of the Board of Railway Commissioners, or of any member thereof, yet I have in mind that the majority of the members of the board are the same men who authorized the discriminatory rates under which we have suffered so long and so grievously.

I do not share Mr. Oliver's view if it reflects upon the Board of Railway Commissioners because I believe that the board is well qualified to handle the matter. He goes on:

Should they in the future authorize a discriminatory rate with the proposed legislation upon the statute book, it would be hopeless to appeal to the Supreme court as a matter of law, and I would have no confidence in appealing to a government which, in the face of the protests that have been made, would persist in placing legislation, as proposed, on the statute books.

This is a Liberal premier in British Columbia advising his Liberal friends in Ottawa. Mr. Oliver continues:

I ask in all sincerity what justification can there possibly be for making such a statutory distinction between the same commodity moving over the same road, but in opposite directions.

We have had the explanation of the Minister of Railways and I intend to mark it and send it to Mr. Oliver for his further consideration. The importance of this matter is something of which the government cannot plead ignorance. Mr. Oliver in his evidence before the special committee on Railway Transportation Rates, on May 29, 1922, made the following statement:

I want to tell this committee that our industrial life in British Columbia is absolutely at stake in this issue before the committee at this moment.

By the chairman:

Q. On the Crowsnest pass agreement?—A. I take it, Mr. Chairman, that the Crowsnest agreement involves the whole rate structure and I will give you as my authority Mr. Beatty, who took that stand, and I will give you as that authority Mr. Hanna, who declared that the whole rate structure of the Crowsnest agreement if brought back is all shot to pieces.

In other words, when the government adopts this policy of taking grain and flour at a fixed maximum rate, it has practically settled the rates question and left little for the railway board to deal with. Mr. Oliver goes on to say at page 154 of the evidence:

Now, it will also have the effect of making it impossible for parliament to remedy the discrimination of which we are now complaining, and to give British Columbia the relief to which it is entitled. It will make that impossible except on one condition, and that is that the nation as a whole shall foot the bill for the deficiencies in revenue of the railways if the railways are forced, as Mr. Hanna intimated to the committee, to reduce the rates on other basic commodities in order to bring them on a parity with the rates under the Crowsnest pass agreement.

On June 27, 1924, a number of representatives appeared before the Governor in Council, and among the documents filed for consideration by the government there was a telegram from Mr. John Oliver addressed to the right hon. Prime Minister (Mr. Mackenzie King), dated June 25, 1924. In that telegram Mr. Oliver represents to his friends in Ottawa exactly what will happen if the government takes such a step as is now proposed in this legislation. He says:

The responsibility for the existing discriminations as well as those which will be added—

That is, this legislation.

—must lie with the government and parliament of Canada.

Then he continued:

We are not opposing the restoration of the Crowsnest pass rates, but we are asking the government and parliament of Canada to place British Columbia in an equitable position similar to that enjoyed by the people of other parts of the Dominion.

Now, Mr. Chairman, at this late stage of the session it is not my intention to discuss this question further. I do not expect that any words of mine will have the slightest effect in inducing the government to depart from the plans they have laid for the next general election, but I appeal to them—and in appealing to them I am placing the case before the very electors to whom they intend to appeal—I appeal to them to remember that this question is of too great and overwhelming importance to be allowed to be trifled with in an attempt to secure a political advantage, and I warn them that in fixing maximum rates on grain and flour they have ipso facto, denied British Columbia the equitable treatment to which it is rightfully entitled. By taking that course this government will raise the rates on grain moving from the prairie provinces to British Columbia, thus handicapping the future of the port of Vancouver and jeopardizing an investment of millions of dollars in elevators and other equipment. According to the opinions already expressed of the Premier of British Columbia, the press, the Board of Trade of Vancouver

and the other public bodies interested, it is their judgment, as I interpret it after a careful investigation of the whole subject, that in such legislation as is proposed the government are taking a course that will prove disastrous to the best interests of British Columbia. It is unfair, it is unjust to the province, and the responsibility is upon the government. If the government cannot see their way clear to remedy this injustice, I hope the electors at the forthcoming general election will express their sense of disapproval in a manner which will fully vindicate what I have said this evening.

Mr. McCREA: Mr. Chairman, the question of freight rates is one of the most important before this House and the country, especially in view of the fact that the government owns the greater part of the railway mileage of the country, and when the Canadian National Railway system does not earn sufficient to pay its bills the people are called upon to meet the deficit. I think it is well that we should know what part of the country's business is paying its way, whether that in the east, the west or the centre; and, furthermore, what part of the country is paying the greater proportion of the taxes. Consequently I shall take up some little time to explain my views.

The Crowsnest pass agreement, which we have heard so much about, was entered into in 1897 between the Canadian Pacific Railway Company on the one side and the government of Canada representing the people on the other side. Under that agreement it was provided that the rates—now known as the Crowsnest pass rates—should not exceed certain maxima. I presume it never entered into the minds of the parties to the agreement that conditions would ever change. At that time wages, materials, and other costs that enter into the operation of railways were very different to what they are to-day. That arrangement continued for many years, and the Canadian Pacific Railway and other roads kept their rates much below the maxima fixed thereunder. Ultimately during the war railway operating costs went so high that the Crowsnest pass agreement had to be suspended for a period of years. At the expiration of that period there was a clamour, especially from the west, for a reversion to the Crowsnest pass rates. Unfortunately the cost of railway operation at that time did not justify the restoration of these rates. In 1922 this House appointed a committee to investigate the freight rate question, and that committee summoned before it not only all the railway magnates of Canada but also many from across the border. Mr. Beatty, of the Canadian Pacific Railway, usually acted as spokesman for the railways. He made several propositions, the final one being for a general reduction of 20 per cent in the rates on all basic commodities to all parts of Canada. That committee finally, by a small majority, passed a resolution recommending the acceptance of this proposition. But the western members rebelled and said they must have the Crowsnest pass rates regardless of what any other part of Canada might get. Naturally they might be expected to take this course, but I did not quite agree with the government's yielding to the demand The outcome has been that whilst the prairie provinces have secured the restoration of the Crowsnest pass rates, which represent approximately a 35 per cent reduction in the freight rates on grain to the head of the lakes, the rest of Canada got a reduction of only 6 per cent in the rates on basic commodities.

9 p.m.

Mr. CAMPBELL: I think the hon. gentleman desires to be fair. Therefore he might tell the House that this was only a partial equalization of the rates, that before it was put into effect the rates in western Canada were very much higher than the rates in eastern Canada.

Mr. McCREA: So far as I was able to catch my hon. friend's question, I will show before I get through who is paying the taxes in Canada, and I think that will be a good barometer by which to judge who is paying too high rates and who is paying too low. Surely it was not the intention of the government, when they entered into that agreement in 1897, that one part of Canada should suffer for the benefit of another section, that one section of the country should have practically a 35 per cent reduction in freight rates on basic commodities, and the rest of Canada get only a 6 per cent reduction;—and that applies not only to the government-owned railway but to the Canadian Pacific as well, because if the Canadian Pacific had made a similar reduction of 35 per cent all over Canada on basic commodities they would be in the bankruptcy court or pretty close to it to-day. If the Canadian Pacific are making money at all they are making it where they are getting paying rates.

There is a great deal of talk about that agreement, but there is one phase of it I have not heard mentioned in this House, and that is this: The McAdoo award raised the rates of remuneration on the railways to a very high pitch, and not only the remuneration but also the classification of labour employed on the

railways, and that sent the cost of operating a railway up out of all proportion to the rates on the commodities the railways carry. When the McAdoo arrangement which had been formulated and all worked out in Indianapolis, or somewhere else across the line, was proposed to Canada, the Canadian railways were simply advised that on such and such a date this schedule of wages and classification of labour would come into force. The railways of Canada at that time held a conference, at which the question was discussed from all angles, and they finally decided that, whether or not it was possible for the United States to accept this remuneration and classification of labour, so far as Canada was concerned it was absolutely impossible, and they notified the Canadian government that they would not accept the award. The government, of which my right hon. friend the leader of the opposition was a member, then passed an order in council ordering the Canadian railways to accept that schedule of wages and classification of labour. I wonder if it has ever entered the minds of the people of Canada that that action has placed the railways of Canada in practically an impossible position to give us the rates we should have? It tied them up to a remuneration and classification of labour that the present conditions of this country do not justify, and meant an increase in railway rates.

As I have said before in this House, there are three parties to this business: There is the producer. Whether he be a farmer, a lumberman, a miner, or whatever his calling may be, if he is producing goods, he is a producer. Then there are the transportation companies. No matter whether they operate by land or sea, the people who are engaged in carrying the products of this country from the sources of production to the sources of consumption are engaged in transportation. The third element is the distributor. It does not matter whether he is a wholesaler, a jobber or a peddler; he is selling goods, and therefore is a distributor. We have, then, these three classes, and if one of these classes gets more than their fair share, the other classes get less than their share. That is the situation in connection with the railways. The railway employees are getting more money than the business of the country can stand, and that has been brought about to a large extent by the railways, against their will and desire, being forced to accept a schedule of remuneration that was not possible for this country to pay. Whilst this schedule of wages might possibly be worked out in the United States, we must bear in mind that the United States have a population of 437 for each mile of railway, whereas we have just a fraction over 200 people for each mile of railway. That means the United States railways have, or should have, double the passenger and freight traffic for each mile of railway that we have, and consequently they can stand a scale of wages and a classification of labour that we in Canada cannot stand. That is the reason, to my mind, why the government of this country should say to international labour, whether it is railway labour or any other kind: We would be glad if you would stay at home, run your business as you like, and we will attend to our business; we have no objection to our citizens organizing, if they wish, to carry on their work, but we absolutely refuse to allow international labour and international labour organizations across the border to come here and dictate terms to us; we are supplying the money; we are running this railway; we are running the whole country, and we propose to run our business in accordance with our ability to pay, and meet the conditions as we find them in Canada; we are not in a position to meet the conditions that exist across the line, especially in railway matters, where you have more than double the population per mile of railway that we have. I do not think, Mr. Chairman, I will talk much longer on that score. My system does not allow of talking too much.

I remember well, and I think everybody who was in the House at that time will also remember well, that when the late government was taking over the Canadian Northern and the Grand Trunk, one of the great fears we who then sat on the other side of the House had was that the operation of the government-owned railways might become a political football. We had fears that that might happen, and I hope we will bear that in mind now that we are on this side of the House. In dealing with this matter, I think it would be wisdom on the part of the government simply to pass the legislation necessary to put the fixing of railway rates in the hands of the Board of Railway Commissioners. They are the people to deal with the fixing of rates, and if we have not got sufficient confidence in their ability to deal with this matter, in their knowledge and integrity, in their desire to deal squarely and honestly with all parts of the country and give everybody a square deal, then let us appoint somebody else to that commission that we have confidence in, and then place in their hands this question of the fixing of railway rates. The members of this House no matter how

well disposed they may be have not the necessary knowledge to deal with this question. The members of the railway commission are supposed to be thoroughly conversant with the complicated problem of railway rates, and if they do not at present possess the necessary information they should acquire it from the best possible sources and then fix the rates in a manner that will be fair and equitable to all concerned. But the government allows the commission to deal with everything but grain and flour. In respect of these commodities they say, "Keep your hands off." I suppose that is for the purpose of getting votes or some such purpose. I see no reason why flour and grain should have such a preference. If the producers of grain and flour are located at a great distance from the seaboard and are entitled to any special consideration, the railway commission is the body most competent to deal with the matter. If the west is entitled to lower rates, or if it is not getting that measure of justice which it should receive, the necessary action should be taken by the proper authorities; but even handed justice ought to be meted out and whatever course is taken should be fair and just. That is the only course to follow, in my opinion, if we want to make this country prosperous.

The rate in force at the present time for carrying grain from Edmonton, or points even farther west, to Halifax for export, is fifty-nine cents per hundred pounds, or thirty-five and two-third cents a bushel, and other rates are in proportion. What cheaper rate would anyone want than that? Now, the special crop of New Brunswick is potatoes, and the distance to the market in Montreal is five hundred miles. The freight on a bushel of potatoes is twenty-four cents, as compared with a rate of thirty-five and two-third cents on a bushel of wheat from Edmonton to Halifax, a distance of about 2,800 miles. And when it reaches its destination a bushel of wheat is worth at least two bushels of potatoes. Do these figures indicate that the freight rates are equitable as between the east and the west? I do not think so. Let me cite another instance of inequitable rates. A carload of horses was billed from a point about one hundred and fifty miles west of Regina to Montreal. The man in charge disposed of them to a dealer, who took five horses out of the car and sold them in Montreal, shipping the balance of thirteen to Sherbrooke. In the latter city the horses were sold to a man who wanted them for use on the railway at a point near Moncton. In going to Sherbrooke these horses went twenty-five miles out of the direct route to Moncton. On reaching their destination, after having travelled two thousand miles, the freight paid was less than $17 per head. I should like to ask at what cheaper rate the farmers and producers in the west would like to get their freight transported for such a distance? It seems to me that at present they are not only receiving justice but more than justice.

Let me mention some further facts. Last session before the House adjourned I put a question on the order paper asking for the total revenue of Canada from all sources, each source to be stated separately. I also asked how much of this revenue was contributed by each one of the nine provinces, the respective amounts to be stated separately. I received the answer to this question during the present session. There are quite a number of sources of revenue that do not call for cash contributions. For example there is a revenue of $29,000,000 in connection with the Post Office Department. That is not a cash contribution. The government provides a service and those who use that service have to pay for it. The total cash revenue of Canada in 1924 was $352,952,730.21. In regard to that amount we hear a great deal from the Maritime provinces occasionally. We are told about their rights and their wrongs, and what their rights should be. Starting with Prince Edward Island, the figures are as follows:

Prince Edward Island—	
Cash contribution	$ 450,100 64
Subsidy	421,051 98
Net contribution	29,048 66
Population	109,078
Contribution per head of population	26½ cents
Nova Scotia—	
Cash contribution	$7,375,545 77
Subsidy	661,866 66
Net contribution	6,713,679 11
Population	523,837
Contribution per head of population	$12 81
New Brunswick—	
Cash contribution	$7,363,859 26
Subsidy	666,765 76
Net contribution	6,697,093 50
Population	387,876
Contribution per head of population	$17 26½

Or a little less than two per cent of the total cash contribution. The same thing applies to Nova Scotia. Their cash contribution was a little less than two per cent of the total cash.

Quebec—	
Cash contribution	$125,619,285 34
Subsidy	2,256,419 88
Net contribution	123,352,865 46
Population	2,361,199
Contribution per head of population	$52 24

Or 35½ per cent of the total cash contribution.

Ontario—	
Cash contribution	$155,936,028 09
Subsidy	2,642,611 68
Net contribution	153,293,416 41
Population	2,933,662
Contribution per head of population	$52 21

Or three cents less than Quebec, or 44¼ per cent of the total contribution.

Manitoba—	
Cash contribution	$18,055,330 58
Subsidy	1,485,118 56
Net contribution	16,570,212 02
Population	610,118
Contribution per head of population	$27 15

Or 4¾ per cent of total cash contribution. Then we take Saskatchewan, third largest province of the Dominion, and supposed to be the granary of the world.

Saskatchewan—	
Cash contribution	$4,753,158 39
Subsidy	1,901,061 00
Net contribution	2,852,097 39
Population	757,510
Contribution per head of population	$3 76

Or one-eighth of one per cent of the total money required in this country, and still we hear lots of complaints from them.

Alberta—	
Cash contribution	$6,757,816 30
Subsidy	1,651,536 60
Net contribution	5,106,279 70
Population	588,454
Contribution per head of population	$8 67¾
British Columbia—	
Cash contribution	$26,420,460 93
Subsidy	738,816 66
Net contribution	25,681,644 27
Population	524,582
Contribution per head of population	$48 95½

I might say right here that British Columbia contributes more to the cash contribution support of this country than the three prairie provinces combined. From this it will be seen who is paying the taxes of this Dominion. Quebec and Ontario are paying 79¼ per cent of the total cash contribution of this country.

Mr. KENNEDY (Edmonton): How much of that do they pass on to the consumers in the rest of Canada?

Mr. McCREA: I cannot hear the hon. member. I am not disposed to be sarcastic or unreasonable, but my contention is that this country can be prosperous only when the people of the different parts of it make up their minds that they are willing to bear their full share of the responsibilities and the taxation of the Dominion and willing and ready to give the other parts fair play and justice. When we were offered by Mr. Beatty twenty per cent of a general reduction on all basic commodities, and when that committee, which was hearing the evidence and which spent practically the whole session in gathering information, finally passed, by a small majority if you will, a motion that Mr. Beatty's proposition should be accepted, our friends from the west put up such a rebellion, threatening the government—and unfortunately they frightened them—that the outcome was that they got practically a thirty-five per cent reduction on grain and we who bear the great burden of the taxes got a reduction of six per cent. The west is entitled to all sympathy and justice, and for my part and, speaking so far as I know, for my province, we are inclined and disposed to be just, fair and reasonable, but the time has come when we shall have to have a little more justice than the west is disposed to give us on freight rates.

In the particular case before the committee now, there is no reason why this whole matter of fixing freight rates should not be placed in the hands of competent men, selected by the government of this country to deal with railway questions and to fix just and fair rates for all parties. Until we get that, this granting a reduction of thirty-five per cent in one section of the country and a reduction of six per cent in our section when we are paying practically eighty per cent of the taxes, is unjust and unfair, and I trust the government will see to it that this injustice is remedied so that all parties will bear their fair share of the responsibilities and taxes. Let us have our share of both the good and the bad. This country of ours, properly governed, properly managed, is the garden of the earth in my judgment. But it will not do for any one element of this Dominion to think they are the chosen people and that they must have all the plums and the other people all the bills.

Mr. SHAW: There is probably no problem which comes before parliament which is more complicated in its character than that involving a freight rate structure. When one considers the many varieties of rates alone, class rates, commodity rates, transcontinental rates, export rates, one becomes somewhat bewildered. But when there is added to that such terms as constructive mileage, mountain differential and long and short hauls, one can readily understand that the problem is, generally speaking, beyond the judgment of an ordinary cosmopolitan parliament. But if the terminology of the subject were not sufficient in itself, a perusal of the bill would, I am sure, convince anyone that the subject is difficult

and involved. Ordinarily, I agree with those who say that the fixation of a freight rate structure is not a matter for parliament. It is primarily a matter for a railway commission. A change in a rate, though unimportant in itself, may seriously affect a whole community. It may seriously impair the progress of an industry, even of our basic industry, agriculture. Therefore, with such an involved and difficult subject, with such far-reaching consequences, it is ordinarily true that it is a matter for a railway commission to consider, for men trained, and experienced in railway matters, with traffic experts always at hand. Is there, however, in connection with this matter anything which puts it outside of the ordinary class, which takes it into the extraordinary class and which merits the consideration of this parliament? I suggest that there is one thing which, above all else, makes the subject in the form of this bill before us primarily one for the attention of parliament, and that is the relation of the Crownsnest pass agreement to the freight rate structure. Why was this Crowsnest pass agreement arranged? Why was it incorporated in the form of a statute as long ago as 1897? There are at least two very distinct reasons for the action that was then taken. First of all, parliament in its wisdom sought to give relief against the excessive freight rates which then existed in western Canada in those early days. An examination of the articles mentioned in this agreement is proof in itself that parliament had in mind to give relief to the primary producers in western Canada. The east-bound commodities mentioned in the agreement were grain and flour, at that time and still the main export production of western Canada. The west-bound products covered were mainly agricultural implements, binder twine, wire, cattle, building material and furniture. These are the commodities which bulk largely in the imports of the primary producer in western Canada and, consequently, the parliament of that day sought to provide statutory rate maxima on these commodities in order that the primary producer of the prairie provinces of Canada might have the advantage of at least, reasonably low rates. Now, the second and perhaps the most important reason will appear to one upon an examination of the map of Canada. Such an examination will show at once that the Prairie provinces have no waterways or transportation system. It is of course well known to everyone that the lowest freight rates are secured on water systems and that the most effective form of competition against railway transportation is by way of water. In the absence of competitive waterways, which would ordinarily keep rates down to a low figure, the parliament of Canada sought to provide by statute a maximum figure beyond which it was intended that the rates should never go. And in this effort, first of all to provide low rates on the primary production of western Canada as well as on the essential imports of that part of the country, and in the second place to provide a maximum rate-controlling safeguard in the absence of water competition, parliament passed and embodied in the law what is known as the Crowsnest pass agreement.

There are many in this House who would leave without question the whole matter of railway freight rates to the railway commission, unfettered and untrammelled. But the question I would address to the committee is this: How can the railway commission be unfettered or untrammelled in this matter when in eastern Canada at least it must take into consideration water-compelled rates? If for example the railway commission could ignore water competition, and if in ignoring such competition that body could place the whole of Canada, so far as railway rates are concerned, on an equality, so that justice would be done to all parts of the country, then few would have any objection. But the fact is that the railway commission in the fixing of rates in the east is not untrammelled and is not unfettered so long as we have our eastern waterways with the lower rates resulting therefrom. If the railway commission seeks to ignore the rates charged on the waterways, and fixes higher freight rates on the railways, then of course the traffic will go by water. and so in a matter of this kind the railway commission cannot be unfettered or untrammelled. And that in my judgment is the justification for placing on the statute books of the country a rate-controlling safeguard in the interests of the prairie provinces of Canada, which by nature are denied the benefits of water competition.

What is the situation to-day in relation to this problem? The recent decision of the Supreme court finds that the Crowsnest pass agreement, although it has persisted through these many years, is legally confined in its operation to those points on the Canadian Pacific railway—one of the contracting parties —which were in existence at the time the contract was entered into. The result of that interpretation has been, and must be if persisted in, a whole series of rate discriminations, and there must follow a general rate chaos. We find for example that Brantford has one rate, say, on agricultural implements to western Canada while its competitors,

Toronto and Hamilton, have a lower rate. Woodstock has one rate, under the Crowsnest agreement, on household furniture, while Kitchener has a much higher rate because it was not on any line of the Canadian Pacific railway in 1897. But these rate discriminations exist not only in the east but in the west as well. Calgary, for instance, enjoys a lower Crowsnest rate than Edmonton. On agricultural implements shipped from Toronto or Hamilton to Calgary the rate is 125½ cents per hundred pounds whereas the rate on the same implements shipped from the same point to Edmonton is 148½. A similar rate discrimination exists between Regina and Saskatoon. These points so favoured in western Canada do not ask that the discrimination shall continue; they have no wish to rely on that discrimination. They seek to have equal and just rates established as between different competitive centres in western Canada, as indeed they desire that the same measure of justice shall be extended to points similarly situated in eastern Canada.

Some remedies have been proposed which I shall discuss very shortly. The first remedy, which has been suggested by not a few in eastern Canada, is to eliminate by statute the Crowsnest pass agreement altogether and to leave the whole matter in the hands of the railway commission, under the powers of the general act, to iron out all existing discriminations. In such case the railway commission would ignore the Crowsnest pass agreement entirely. Now, for the reason I have already indicated, the railway commission cannot ignore the water competitive factors in eastern Canada, and the result necessarily would be that, having to take into consideration these factors in eastern Canada, the only place where deficits could be made up in the operation of the railways would be in the west. And so we should find ourselves in that part of the country loaded up with the deficits, being called upon to bear a much larger portion of the operating costs of the system than is justifiable. To ignore the Crowsnest agreement therefore would work wholly and entirely against western Canadian interests. Not only would the sole safeguard that we possess be taken from us, but we should be entirely disarmed and at the mercy of the railway commission.

Much has been said about the railway commission, and I have no criticism to make of that body. But there has been much public criticism of it. For one reason or another the commission has largely in the past lost the confidence of the people of the west, and I venture the assertion that those people at least would certainly be apprehensive if the matter of freight rates were left entirely in the hands of the railway commission.

The second suggestion which has been advanced is to restore the agreement fully and to bring it into operation, not only with its limited interpretation as given by the Supreme Court of Canada, but in addition to wipe out all existing discriminations which would ensue from the application of the judgment of the Supreme court. The result would be that of necessity the rates on westbound commodities would be greatly reduced. The Minister of Railways tells us, and I believe he is correct, that such action would seriously impair the efficiency of the railway systems in Canada. Certain it is that it would increase the annual deficit of the Canadian National Railways; and it might be that such a cure would be worse than the disease itself. More than that, I am not sure that it is the proper remedy, because I know that the west is not asking for something to which it is not in justice and in equity entitled. It is prepared and willing to bear its fair share of the burden; it does object to bearing more than its fair share. Besides, if the west intends to rely upon this agreement, it must in fairness rely upon the strict interpretation of it, given by the judgment of the Supreme Court of Canada. And for the reasons I have already pointed out, such a situation cannot possibly be tolerated. We would not allow it even in western Canada; I am sure it would not be permitted with all its rate discriminations and chaos in eastern Canada.

Then, Mr. Chairman, we have the remedy proposed by the minister in his bill. He desires to perpetuate the grain and flour rates eastbound and to fix maximum rates on these articles pursuant to the terms of the Crowsnest pass agreement. May I say that if the judgment of the Supreme Court of Canada is correct with relation to the points on the Canadian Pacific Railway which enjoy the benefits of the westbound Crow rates, then surely the same principle must apply to rates on eastbound Crow commodities, with the result that if the judgment is given its full effect without action by this parliament, we will necessarily have discriminatory rates on eastbound grain and flour. Now, the minister proposes to prevent any such possibility by perpetuating the Crow rates on grain and flour eastbound, and in addition wiping out completely all possible discriminations. With regard to the westbound section of the agreement, the minister proposes that the rights given by the Crowsnest pass statute

of 1897 should be wiped out and the railway board left with a free hand to fix such rates as it may deem to be just and reasonable.

Now, I want to suggest what seems to me to be fair and reasonable under all the circumstances. The only objection so far as I know to the minister's proposal is that the people of western Canada feel that they are being disarmed, that their only safeguard on westbound commodities is being taken away from them by this proposed legislation. I approve entirely of the minister's action with regard to the eastbound commodities. But with regard to westbound commodities, my suggestion is that there should be a suspension of that portion of the agreement for a period of, say, three years. I say that first of all because the railway commission in the intervening time will have an opportunity to work out this system of so-called equalization of freight rates. We have had rate equalization cases before; they have not always been satisfactory. It is a high-sounding and pleasant term, but it really does not mean equal freight rates at all, because under the rate equalization cases, as the former chairman of the railway commission (Sir Henry Drayton) well knows, the rates in western Canada were from 15 to 20 per cent higher than those in eastern Canada. There were many other discriminations which I will not take the time to enumerate. So we do not really know what equalization of freight rates is going to result in under actual practice. The lapse of three years will give the railway commission an opportunity to evolve its system of rate equalization, and then we will know whether or not the freight rates imposed are fair and just to western Canada. If it is, if we are not called upon to bear more than our fair share, then we will gladly let the westbound section of the agreement be eliminated forever.

Mr. CLARK: What does the hon. gentleman mean by the westbound section of the agreement? In what way does the Crowsnest pass agreement affect westbound freight at all?

Mr. SHAW: There are some thirteen commodities mentioned in the agreement itself upon which a definite percentage of rate reductions on the then existing rates are effected.

Mr. CLARK: The hon. member is not referring to commodities westbound from the prairie provinces to the Pacific ocean?

[Mr. Shaw.]

Mr. SHAW: Oh no, that is an altogether different question. I think hon. gentlemen to my right are worrying unnecessarily about that problem.

Mr. CLARK: Does my hon. friend not think there is anything in that problem; and if not, will he please give his reasons?

Mr. SHAW: I did not propose to discuss that phase just at the moment. It is a problem different to that involved in the Crowsnest pass agreement. The British Columbia rates westbound from the prairie provinces constitute a subject upon which the railway commission, if I understand the bill correctly, will find themselves wholly untrammelled and unfettered in dealing with. The issue stands on its own feet. May I tell my hon. friend that his greatest anxiety should be to see that the Crowsnest pass agreement is maintained, because with lower rates under that agreement he is assured of lower rates westbound on grain and other commodities from the prairie provinces to the ports of British Columbia. Now, supposing the westbound section of this agreement were suspended for a period of three years. At the expiration of that time the people in the prairie provinces would know exactly what rate equalization meant. If the rates were just and reasonable, if they were not higher than they should be called upon to bear, then I am sure, knowing the people of western Canada as I do, they would cheerfully undertake to bear their share of the burden and would gladly allow the westbound section of this agreement incorporated in the statute to be eliminated forever. On the other hand, if the rate equalization did not work out satisfactorily, then certainly the people of western Canada would not find themselves—as they otherwise would under the minister's bill—wholly disarmed and defenceless; they would have some instrument at least with which to meet the situation for an adjustment of their grievances.

There is another reason why I think we should make haste slowly in depriving western Canada permanently of this statutory safeguard, that is, in so far as it affects either eastbound or westbound commodities. What member in this House can visualize the rate situation five years hence? What member can visualize the rate situation even three years hence? I venture to say that perhaps

within a shorter period than five years, before the death of the next parliament, we will have a great railway amalgamation in this country—I hope under national auspices—and its significance will be reflected directly and immediately in our freight rates. So I say that in my judgment it is not wise to eliminate entirely the agreement in relation to westbound products. I would have no objection to its being suspended for a reasonable length of time. In that sense the railway commission would not be hampered at all; it would have a free and unfettered hand to fix westbound rates on Crow commodities and all other commodities. The people of eastern Canada would not be prejudiced and, equally important, the people of western Canada would not find themselves hampered in the future by releasing such rights as they now have under the westbound section of this agreement. That, Mr. Chairman, is the suggestion which I have to offer, and I trust that it may meet with some measure of approval.

10 p.m.

With regard to the question raised so far as British Columbia is concerned, I realize that British Columbia has its problem, but I want to tell hon. gentlemen from British Columbia that when they speak about rate discriminations, if they want to find where the maximum of rate discriminations exists, where the grossest injustices so far as freight rates are concerned exist, they must necessarily betake themselves to the province of Alberta.

Mr. CALDWELL: To the Maritime provinces.

Sir HENRY DRAYTON: To Ontario.

Mr. SHAW: No, to the province of Alberta. British Columbia enjoys several freight rate rights and privileges which are denied to the neighbouring province of Alberta. There is, for instance, the transcontinental rate, any advantage of which, of course, is denied to intervening points on the railway. There are, in addition, commodity rates, covering some 75 or 80 per cent of the commodities shipped eastbound from Vancouver. In addition to that, there are sections of construction mileage, not paying on the exact mileage, but on a reduced mileage. These are some of the advantages which British Columbia at present enjoys, and which are largely, if not wholly, denied to the neighbouring province of Alberta. I do think that this problem is a very serious and a very difficult one. It may mean the life or death of more than one province, and I think we should go carefully before we take away from the prairie provinces the rights which they acquired many years ago and to which they have zealously adhered during all the intervening years.

Mr. MACDONALD (Pictou): I would like to congratulate my hon. friend from West Calgary (Mr. Shaw) on the very fair way in which he has stated his case. He has shown a grip of a very abstruse subject, and has approached the situation with a very clear mind. I do not know that I can congratulate him altogether upon the solution which he proposes, but he is to be commended for the very fair statement of the case which he has made.

Mr. Chairman, it became absolutely and imperatively necessary for this government to come to this House with legislation of this character at this session. We have already heard from some hon. gentlemen as to some phases of the situation which was created as a result of the decision of the Supreme Court of Canada some few months ago. The whole freight rate structure of the country, and the whole business interests of the country, were disarranged by the construction which the Supreme court put upon what is known as the Crowsnest pass agreement, when it decided that its operation so far as rates were concerned was confined to those points in the east which were in existence in 1897, and to those points in the west which were in existence at the same period. Anomalies of so serious a nature arose in consequence that I venture to say there was not a representative in this House, from Ontario, at least, who did not receive representations from the business men of his constituency in regard to those anomalies. I need not go over them in detail, but some of them are so striking that I should like to call the attention of the House to one or two, to show the practical nature of the problem that is involved here, not merely from the standpoint of our western friends, but from the standpoint as well of the business people in eastern Canada.

Take, for instance, furniture, which is one of thirteen items coming under the westbound rates in the Crowsnest agreement. Furniture is manufactured in a great many cities and towns through the whole of eastern Canada. Of the Ontario towns engaged in its manufacture there are, from Cornwall west, twenty which do not enjoy the reduced rates, namely, Southampton, Meaford, Strathroy, Kincardine, Tavistock, Kitchener, Waterloo, Neustadt, Guelph, Hanover, Elmira, Hepworth, Hespeler, Lucknow, Stratford, New Hamburg, Orillia, Cobourg, Cornwall, Napanee. Toronto is one of the points which does enjoy these

reduced rates, and compare for a moment the rate that Toronto enjoys on furniture with the rate received by these twenty towns I have mentioned. On furniture shipments to Regina Toronto has a rate of $1.27½ per one hundred pounds, whereas the twenty towns named pay $1.85½ per one hundred pounds. There were thus under the Crowsnest pass agreement as it exists to-day these enormous discriminations against the business interests of Ontario and Quebec as well, because, forsooth, these industries are in towns to which the Canadian Pacific did not reach in 1897. Just imagine the position which the business men in these towns in Ontario and Quebec are in, when the rate that is enjoyed by Toronto on an article that is manufactured in the east to be sold in the west is from 50 to 60 per cent lower than the rate enjoyed by the business men in these other towns. How can business be carried on under these conditions?

Take, again the situation in the west. Under the interpretation which the Supreme court put upon the Crowsnest pass agreement, it is applicable only to 35 per cent of the towns in the northwest covered by the Canadian Pacific railway. Sixty-five per cent of the towns in the northwest covered by the Canadian Pacific to-day, if it were not for some such legislation as we are proposing here, would not have the right to send their grain down to Fort William at the low rate that is given under the Crowsnest pass agreement. When hon. gentlemen speak of there being any discrimination against the west in this legislation, I fear they forget that very important fact. It does seem anomalous to me that hon. gentlemen who have studied this question should not realize the very singular position in which the country would be left, particularly Saskatchewan Alberta and Manitoba, with the Crowsnest rates applicable only to a very small proportion of the territory which is covered by the railway.

The rates on the commodities in question have heretofore been regulated and controlled by the board so as to establish a relative basis throughout the whole prairie territory. Since July 7th, however, and this is the situation perpetuated by the decision of the Supreme court, the Crowsnest rates have applied to Fort William and points east thereof to points on the line of the Canadian Pacific railway as in existence in 1897, while to all other territory the higher rate level established since 1897 still governs. This means that approximately 35 per cent of the western lines of the Canadian Pacific have Crowsnest rates, and the balance, or 65 per cent of the mileage, pays higher rates. If it were not for this legislation we propose, do hon. gentlemen who come from those western provinces seriously suggest that 65 per cent of the country should be discriminated against by the perpetuation of the rates as they are to-day?

I could take up other items that enjoy the Crowsnest rates—paint, for instance. Paint is manufactured from Windsor, Ontario, to Montreal, and two of the most important centres of its manufacture are Sarnia and Hamilton. Hamilton enjoys a rate on paint of $1.09 per one hundred pounds to Regina, while from Sarnia the rate is $1.55 per one hundred pounds. In each and every one of these 13 classes of articles contained in the agreement we find discriminations existing to-day, and they would be perpetuated unless we proposed legislation of this character.

Mr. HOEY: When the Crowsnest pass agreement was restored in full in July last year, was it the opinion of the administration then that it would apply to all lines?

Mr. MACDONALD (Pictou): It does not make much difference what the opinion of the administration was. The decision had been taken by the Supreme Court of Canada.

Mr. FORKE: Would not a slight amendment to the Railway Act have removed all the discrimination?

Mr. MACDONALD (Pictou): How?

Mr. FORKE: By providing that no special agreement would be taken into account under that clause forbidding discrimination.

Mr. MACDONALD (Pictou): My hon. friends opposite in attempting to deal with this question of freight rates remind me of an experience I once had when I was at the bar and retained to appear before the railway commission on a question of that character. It is the most abstruse problem that could be given to any individual, whether a public man or a member of the legal profession, to deal with. I apprehend from my knowledge of the matter that in order to get rid of this difficulty which unquestionably exists, the railway commission will have to go through all these schedules and deal with the rates from every particular place according to the mileage. It never could be settled in the easy offhand way that my hon. friend suggests. Here was the situation. The Supreme Court of Canada had given this decision. The railways had intimated that it was their intention to appeal. Leave to appeal was granted by the Privy Council to Manitoba in connection with the agreement with the Canadian Northern, it being intimated, however,

in granting that leave, that their lordships anticipated legislation might be passed before the question that had come before them was determined. Well, supposing nothing was done? There we would have litigation still pending in regard to these two important matters which would probably take another year to decide. In the meantime the business community of this country would be in a perfect turmoil. No one would know how to deal with his competitors, and this discrimination of a most anomalous character, both east and west, would exist.

Mr. KELLNER: Where will you be if the Privy Council sustains the Manitoba agreement?

Mr. MACDONALD (Pictou): The Privy Council will not sustain the Manitoba agreement because parliament will have removed it, I believe, before that court will have heard the argument.

Mr. GRAHAM: There will not be any argument.

Mr. MACDONALD (Pictou): All the points in nothern Manitoba, northern Saskatchewan and northern Alberta where there were no Canadian Pacific railway lines existing in 1897, and which would have to pay higher than the Crowsnest pass rates, will be benefited by this legislation. And let me tell hon. gentleman that when this matter came to be considered by the government we had counsel from British Columbia, counsel from the cities of Edmonton and Saskatoon, and counsel from the Maritime provinces, all pointing out the anomalous situation that existed. Counsel from Edmonton and Saskatoon urged that these were two points which, if the present situation was to be perpetuated, would be debarred from the Crowsnest pass rates.

Mr. COOTE: Could not the discrimination have been easily removed by a slight amendment to the Railway Act stating that no discrimination should be allowed whether caused by special agreement or otherwise?

Mr. MACDONALD (Pictou): I like my hon. friend's easy way of dealing with this abstruse question of freight rates. I am bound to say I do not think it could be done that way. I am only pointing out for the information of the House where the real situation exists when this parliament comes to deal with freight rates. My hon. friend from West Calgary (Mr. Shaw) put the situation very well. It is true that these matters refer peculiarly to the Canadian Pacific Railway; but here are these two railways in the western country, and practically whatever rate is fixed by the Canadian Pacific will be fixed by the Canadian National as well. Therefore unless we have a proper rate structure in this country so that this railway, which belongs to the people of Canada, may have its rates dealt with on fair lines with due regard to its operating necessities, as well as the necessities of the business interests of the country, the problem will become so intricate and the danger in connection with it will become so great, that I am sure hon. gentlemen on reflection will agree that the matter is one that requires to be dealt with. My hon. friend from West Calgary—and I am perhaps only restating at a little greater length the point he made—agrees with me to that extent. The only thing he says is, "Let us have suspension." Now, suppose legislation was passed suspending the operation of the rates which will come into existence in consequence of the Supreme court's decision, what rates are going to apply in the meantime? Where are we going to find the rates to take their place in the meantime?

Mr. SHAW: The railway commission could provide for that as they did in October last year.

Mr. MACDONALD (Pictou): I am not so sure about their doing it so easily; they would have to go into the matter and investigate it very thoroughly. In any event hon. gentlemen in the House who do not admire the railway commission would be entrusting to that body at once the power to deal with the whole problem. These other rates would be suspended and the matter would rest entirely in the hands of the railway commission without the situation being cleaned up in any way.

Mr. HOEY: That would have to be done in any case.

Mr. MACDONALD (Pictou): I must say that I am exceedingly surprised that my hon. friends from the west should not have been behind the government in the strongest possible way in this legislation because we are dealing with conditions, not theories, as my hon. friend and colleague (Mr. Graham) said this afternoon. This is the only way, in my opinion, in which this matter can be settled in the interests of the whole of Canada as well as of the west.

Mr. GOOD: The minister stated that the doing away with discrimination, as has been suggested by the hon. member for Macleod (Mr. Coote), would be very difficult in his judgment. How much more difficult would it be than the method prescribed or embodied in the bill? What is the difference?

Mr. MACDONALD (Pictou): The policy embodied in the bill is very frank. It entrusts to the railway commission the task of equalizing the rates having regard for the business interests of the country as a whole, and the only limitation that will interfere with their full and absolute power to deal with the whole question is the preservation of the rates on grain and flour.

Mr. GOOD: The minister makes out that this bill provides for the doing away with discrimination in a very easy manner, and when the other suggestion is made he says it is very difficult. I do not see the difficulty.

Mr. MACDONALD (Pictou): Not at all. My hon. friend has misapprehended me. I did not say anything of the kind, or if I did such was not my intention. I did not intend to say anything that would indicate that the solution of the government involved any other proposition than that the railway commission should deal with this matter on broad and equitable lines, and that is the only solution you can get. My hon. friend from Macleod (Mr. Coote) would have to go to the railway commission in the one case just the same as we propose to go to the railway commission in this case, having regard to all the rights and interests affected.

Mr. GOOD: It is just as easy to do so in the one case as in the other.

Mr. MACDONALD (Pictou): I am not saying that the task is an easy one. I pointed out to my hon. friend that he would have to go to the railway commission and that body would have to deal with these rates generally.

Now, it has been suggested, there are only three ways to deal with this question. First, to leave the Crowsnest pass agreement as it has been interpreted by the Supreme court. Secondly, to wipe it out altogether, do away with the rates on grain and flour, and commit the whole proposition, absolutely untrammelled in every way to the railway commission to be dealt with. The third course is the course we adopt, and which we submit with confidence to the House, believing for the reasons stated in the order in council, of which I do not need to repeat or to amplify, that it is in the public interests of Canada as a whole that our grain and flour products should be guaranteed a maximum rate so that those engaged in those industries should know at all times what the rate was to be.

[Mr. Good.]

Mr. COOTE: In the paragraph in the order in council dealing with that they say:

> The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion and in order to encourage the further development of the grain growing provinces of the west, on which the development of the future of Canada in large measure depends, it is absolutely desirable—

And these are the words I wish to direct the minister's attention to.

> —that the maximum cost of the transportation of these products should be determined and known, and therefore are of the opinion that the maximum established for rates on grain and flour as at present in force under the Crowsnest pass agreement should not be exceeded.

Will the minister tell me if it is the intention, as I think he has suggested, that these are to be the maximum rates on grain and flour for all time; that is in our present life-time? Why are these words put in, that the maximum cost of the transportation of those products should be determined and known?

Mr. MACDONALD (Pictou): That means exactly what it says. Does the hon. gentleman not think it is a desirable thing for those who have grain and flour to export to know what is the limit they can be charged for transporting their produce? That is all it means. We know that for a number of years down to 1918 a lower rate than the Crowsnest rate obtained, and it might come in again. But as a result of this bill if it passes into law, until it is repealed, the producer and shipper of grain and flour will know that this is the maximum rate which can be charged.

Mr. CLARK: Will the minister tell me whether grain and flour lose their peculiar characteristics as such when they travel westward to the Pacific coast?

Mr. MACDONALD (Pictou): No, if my hon. friend will only have faith in the railway commission and in their desire to deal fairly and equitably with all parts of the country, I do not think he will have cause to complain very much about rates. Trade has increased up to 50 millions of bushels for export in that country, and I think my hon. friend can rely on the railway commission dealing with that portion of the country equitably and fairly.

Mr. CALDWELL: Why should the people of British Columbia and of the Maritime provinces be asked to have more faith in the railway commission than any other part of Canada?

Mr. MACDONALD (Pictou): Because in this particular case one portion of Canada has had the advantage of an agreement made in regard to rates which has been on the statute book since 1897, and unfortunately neither British Columbia nor the Maritime provinces have had that advantage.

Mr. MEIGHEN: What reason is that?

Mr. MACDONALD (Pictou): The reason is that when parliament comes to legislate you have to legislate in the light of the statutes in the one case, and in the other case you have not.

Mr. CALDWELL: Is that not an added reason why the rest of Canada should have a chance at the special privilege for a while?

Mr. MACDONALD (Pictou): My hon. friend had better discuss that question with some of his colleagues on his left. It is not necessary to go into it at the moment. I would like to say a word or two with reference to the argument of my genial and clever friend from Vancouver Centre (Mr. Stevens) and also his colleague from that city (Mr. Ladner). My hon. friend from Vancouver Centre was very clear in his views this afternoon that the Crowsnest pass agreement should be abolished, and that there should be supreme control in the railway commission. Those were the two important planks of his platform. My hon. friend seemed to be quite unnecessarily disturbed over the amendment which my hon. colleague proposed to make to subsection 6 on the last page of the bill. He seemed to urge the view that the bill as it stood when originally introduced gave some particular rights to British Columbia, and to be also of the opinion that because the minister proposed to amend that section by adding the words "within the territory" some rights of British Columbia were being taken away. It was certainly a wonderful flight of imagination, to put it kindly, for my hon. friend to entertain any such idea as that British Columbia rates were affected one way or the other, either by the section or the amendment.

Mr. LADNER: Why were the words added?

Mr. MACDONALD (Pictou): I do not know whether my hon. friend has ever drawn statutes. He has drawn legal documents, and sometimes he has put in a word or two extra in order to make clear what the actual intent of the party was.

Mr. LADNER: To make what clear?

Mr. MACDONALD (Pictou): To make clear the intent of the parties drawing the bill.

Mr. LADNER: What was the intention?

Mr. MACDONALD (Pictou): In the first place, my hon. friend would not venture to argue seriously before any court that there is a single word in subsection 6 as originally in the bill that affected British Columbia one way or the other—not within a hundred miles.

Mr. MEIGHEN: Then what part of the bill does affect British Columbia?

Mr. MACDONALD (Pictou): No part.

Mr. MEIGHEN: What does the Minister of Public Works say to that?

Mr. KING (Kootenay): I will tell my hon. friend later.

Mr. MACDONALD (Pictou): Let us see what the subsection says. It reads:

> The board shall not excuse any charge of unjust discrimination, whether practised against shippers, consignees, or localities, or of undue or unreasonable preference, respecting rates on grain and flour—

Now were these eastern rates or western rates on grain and flour? I think it is very clear they were eastern rates and eastern rates only, because it goes on to say:

> —governed by the provisions of chapter five of the statutes of Canada, 1897, and by the agreement made or entered into pursuant thereto, in the immediately preceding subsection referred to—

That is the Crowsnest pass agreement made in pursuance of the statute.

> —on the ground that such discrimination or preference is justified or required by the said act or by the agreement made or entered into pursuant thereto.

Where by any stretch of the imagination could you torture that language into anything affecting westbound rates?

Mr. MEIGHEN: Under the clause as the minister interprets it, would or would not the railway commission be bound to give equal rates on flour westward from Portage la Prairie to Medicine Hat as prevailed on flour from Medicine Hat to Portage la Prairie, giving those places by way of illustration?

Mr. MACDONALD (Pictou): No, you would not be dealing with any western rates in this section, because the rates proposed to be dealt with are those governed by the provisions of chapter five of the statutes of Canada, 1897, and that does not refer to western rates, but rates coming east to Fort William and the purpose of the subsection is to deal with the powers of the board and how they are to exercise them in reference to rates on grain and flour eastbound which are preserved under the terms of this bill.

Mr. MEIGHEN: The minister says that by virtue of that clause referring to discrimination the board would not be bound to make the rates on flour from Portage la Prairie to Medicine Hat equal to the Crowsnest rates from Medicine Hat to Portage la Prairie.

Mr. MACDONALD (Pictou): The board would exercise discretion when the application came before them.

Mr. MEIGHEN: Does the minister say they would not be bound?

Mr. MACDONALD (Pictou): Suppose application were made by British Columbia to the board to fix rates on westbound grain and flour. The board would hear the application on the merits and the facts in regard to it and would exercise discretion as to what the rate ought to be in fairness to all, having regard to the general rate structure all over the Dominion, but they would not be affected in the slightest degree, directly or indirectly, by any of the provisions of subsection 6, because that relates only to the rates on grain and flour preserved under this bill.

Mr. CLARK: Then what possible ground could British Columbia advance to secure the same rates westward that are in force under this statute eastward?

Mr. MACDONALD (Pictou): I understand the province of British Columbia asserts that they have a very good case for a reduction in freight rates, that by virtue of the gradients over the Canadian National the cost af haulage of products west to Vancouver has been materially reduced, and I have heard counsel make that argument more than once before the Privy Council.

Mr. CLARK: Is it the intention to leave it to British Columbia to find out whether they have a case, and if they have to present it?

Mr. MACDONALD (Pictou): I will come in a moment or two to the policy of the government with regard to that, but I want to set at rest clearly if I possibly can the absurdity of the contention that by reason of anything contained in subsection 6 of this bill, or the amendment proposed thereto, the rights of British Columbia were to be prejudiced in the slightest degree whatever.

Mr. CARROLL: Would the Board of Railway Commissioners not take into consideration the general provisions of the act in dealing with British Columbia with reference to fair and equitable rates? Would they not then take into consideration the general rates coming east on grain and flour when considering British Columbia?

[Mr. E. M. Macdonald.]

Mr. MACDONALD (Pictou): I am unable to say what the methods and policy of the Board of Railway Commissioners are in dealing with such matters.

Mr. CARROLL: But they must deal equitably under the Railway Act.

Mr. MACDONALD (Pictou): Quite so. The leader of the Progressive party (Mr. Forke), in dealing with some of these matters this afternoon, read from a resolution that was passed at a conference that took place at Regina. It will be noticed that the hon. member for West Calgary (Mr. Shaw) agrees with all the situation as we have put it and only suggests as an alternative remedy the suspension of rates. Then my hon. friend adopted the suggestion made at Regina:

> That proper equalisation of freight rates throughout Canada is impossible without statutory provisions for maximum rates in those parts of Canada in which freight rates are not controlled by competitive water transportation rates.

Other than that suggestion, together with one that the composition of the railway board might be changed, no suggestion has so far come forth of a constructive character by which anyone could gather that any better solution or one more worthy of consideration than that proposed by the government might be dealt with. It is agreed by everybody on reflection, no matter what arguments may be made in other places, that this parliament is not the proper body to deal with freight rates in particular.

Mr. FORKE: Would the minister read the next clause, No. 2?

Mr. MACDONALD (Pictou): I was reading No. 2. No. 1 states that maximum statutory freight rates should be fixed on grain and flour, and No. 2 is the one that proposes that there should be statutory provision for maximum rates in those districts where there is no competition by water. Is that what my hon. friend refers to?

Mr. FORKE: Westbound rates.

Mr. MACDONALD (Pictou): There is also provision for westbound rates. But my hon. friend must realize that this is the situation. The Crowsnest pass agreement as regards grain and flour is preserved, maintained and extended in its operation from thirty-five per cent of the territory to which it originally applied to one hundred per cent. Because there is on the statute book that act which recognises that condition of affairs, when the government comes to deal with this problem and to try to deal with it equitably, I am

surprised at the position which my hon. friend adopted this afternoon. He should be most enthusiastic in supporting the action of the government in that particular.

Mr. LADNER: As my hon. friend has commended the policy of his government to extend the territory from thirty-five per cent to one hundred per cent under the Crowsnest pass agreement, why should the extension not continue to the west? On what principle do they differentiate? On what fair treatment can they possibly defend their action?

Mr. MACDONALD (Pictou): I do not know whether my hon. friend is a student of railway freight rates or not, but many questions enter into this matter of freight rate decisions as regards British Columbia. The question is not merely one of grain going west. There are the commodity rates which people in British Columbia enjoy on eastbound traffic. All these problems are committed to the railway commission which he and his friends say is the proper body to deal with them. I am coming to that point in a moment. To follow up the suggestion of the hon. member for Brandon, no matter how extreme our views may be having regard to particular localities, we must realize that, in the last analysis, there must be some body composed of experts to deal with the matter of rate-fixing and all the problems connected therewith if results are to be obtained. How could a committee of this House, for instance, discuss the rate structure of this country and find out what would be equitable? Hence it is that, once this question of grain and flour was dealt with, the government proposed, and we propose now by our order in council, to submit to the railway commission the matter of dealing with rate-fixing in a most equitable way having regard to the situation throughout the country. The order in council states:

> The committee therefore advise that the board be directed to make a thorough investigation of the rate structures of railways and railway companies subject to the jurisdiction of parliament with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries, and in particular to:
>
> (a) The claim, asserted on behalf of the Maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;
>
> (b) The encouragement of the movement of traffic through Canadian ports;
>
> (c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal.

What we have done, referring to our British Columbia friends, is this. We have asked the railway commission to approach the solution of this question on the broadest possible basis in order to attain the purposes which are set out in this order in council. We ask them particularly to take into consideration the traffic eastward and westward through Pacific coast ports owing to the expansion of trade in that part of Canada. Among the changed conditions that have taken place in this country has been the wonderful development of trade in British Columbia as a result of the opening of the Panama canal. It has been a marvellous change which has slipped into the business life of this country quietly, and yet it has created conditions of the greatest possible advantage and holding out the certainty of development in western Canada through that part which is contiguous to the Pacific coast by reason of this new method of water transportation that has been developed. There is also the trade with the Orient and the great consumption of grain and other products that has developed in Japan and China. All these constitute a new business situation that did not exist in 1897, that hardly existed ten years ago. This is a development of the last four or five years. These are special matters which are submitted to the railway commission and which they must have regard to when they come to deal with the question of the equalization of rates.

There is also the situation that has existed in the Maritime provinces and to which my hon. colleague has referred this afternoon. That is a situation which is hardly appreciated by this House. From 1877 down to 1919, for a period of forty-two years, what was known as the Intercolonial railway with various extensions constituted the only publicly-owned and operated railway in Canada, with the exception of the addition which was made later on when the Transcontinental was built to Winnipeg. But the operation of the Intercolonial was carried on under terms and conditions which caused the people of the Maritime provinces to rely upon the federal government to see to it that their interests were properly protected. In the British North America Act the construction of that railway is specially provided for, and no public work is provided for in that act other than that railway. In the pre-confederation conferences which led up to the formation of the Dominion the construction of that railway was recognized as an absolute condition upon the Maritime provinces going into confederation. There

would have been no Canada at all had it not been for the assurance given in that respect. And after that railway was constructed it was operated for a period of forty-two years by the federal government in accordance with what the people in that part of Canada understood to be the confederation agreement. It was operated not primarily with a view to making money, although the railway paid its way all through that period; some years there was a substantial surplus while in other years there was a small deficit. As a result of that method of operation of the Intercolonial railway we were able to obtain access to central Canada with a great many of our natural products; and, mark you, the manufacturers of central Canada were able to come down into our markets by virtue of the conditions under which the railway was operated. Under these circumstances there was an enormous exchange of products between the two sections of the Dominion, and as a matter of fact the Maritime provinces are still a great factor in the business of the manufacturers of central Canada. Hon. gentlemen speak about certain rates having existed under the Crowsnest agreement from 1897 to 1919, a period of twenty-two years. Well, this charter of our existence as part of the Dominion of Canada has been in existence almost twice as long, for some forty-two years. Now the government asks the railway commission, when it comes to deal with the whole question of freight rates, to consider the claim made by our people in the Maritime provinces to the right to have maintained the rate basis which they enjoyed prior to 1919.

Mr. GOOD: Under what obligation is the railway commission to follow these recommendations?

Mr. MACDONALD (Pictou): The obligation that any reasonable court or commission would recognize having regard to the interests involved and the purpose which the government wishes to see attained, namely, a fair adjustment of the rate structure throughout the country.

Mr. HOEY: Had the railway commission the control formerly of the rates on the Intercolonial?

Mr. MACDONALD (Pictou): No.

Mr. HOEY: Who fixed those rates?

Mr. MACDONALD (Pictou): Previous to 1919 the Intercolonial railway was operated by the Department of Railways, and throughout that period of forty-two years the rates were fixed by the minister and his officials.

Were it not for the organization of the Canadian National Railway system and the subsequent incorporation of the Intercolonial railway into this vast railway system, with the transfer of control and authority from the Department of Railways to the president of the Canadian National organization, the people of the Maritime provinces would now be in the same position as they held before in the matter of railway transportation. And this vast body, which is costing the country so much money, having brought about the present situation, which our people claim has wrought a great injury to their interests, the government has asked the railway commission to investigate the facts in regard to the abrogation of the rate basis which obtained previous to 1919 and to take that circumstance into consideration in laying down what we hope will be a rate adjustment satisfactory to the whole country. Such an adjustment, we anticipate, will remove the incubus which now weighs down upon business in Canada as a result of the difficulty brought about in connection with the Crowsnest pass agreement as respects westbound freight; and we hope that it will go far towards restoring proper business conditions in the matter of transportation, so that business men east and west alike may look forward with some degree of confidence to reasonable prosperity in the conduct of their affairs.

Mr. SUTHERLAND: The minister made reference to the agreement entered into with the Maritime provinces at the time of confederation in regard to the building of the Intercolonial railway. Has the revenue of the railways in the Atlantic region been equal to the cost of operation?

Mr. MACDONALD (Pictou): Yes, all through those years.

Mr. SUTHERLAND: I am referring particularly to the past year, 1924.

Mr. MACDONALD (Pictou): I could not tell my hon. friend. It must be remembered that the Intercolonial railway has been to a certain extent dismembered, so that what is known as the Atlantic region does not constitute the whole of that railway as formerly operated. There is no particular advantage to be gained in discussing the operations at present of the Atlantic division, because that is only one half of the Intercolonial railway. The Intercolonial railway ran from Sydney to Montreal, and involved in the cost of its operations was the cost of the Prince Edward Island railway, which had no relation to the Intercolonial.

Mr. SUTHERLAND: The Minister of Railways has submitted figures showing that the gross revenue in the Atlantic region during the past year was $20,721,000 odd, while the operating expenses amounted to $24,266,000, or a deficit of $3,545,000. The country therefore has not profited from the operation of the railways in the Atlantic region.

Mr. MACDONALD (Pictou): My hon. friend has forgotten the statement I made, that for ten years previous to 1919—I think I am well within the mark in this regard—that railway did not cost the country a cent.

Mr. CLARK: The Minister of Railways in presenting this bill has stated that there are three courses open to parliament. In the first place, parliament may repeal the Crowsnest pass agreement or secondly, it may allow the agreement to stand in its present form. And there is a third or middle course suggested, such as that taken here. The minister further stated that if the agreement were allowed to remain in full force and effect it would mean that similar rates would have to be given by the railway commission to all parts of Canada, or at least to the entire west, on all the commodities mentioned in the agreement. On that point I emphatically disagree with the minister, and I think I can show him that he is in error in submitting that view to the House. In my opinion the Crowsnest agreement is in full force and effect to-day; but its force and effect is limited to those points which were on the Canadian Pacific Railway in 1897. As the minister has said, the agreement is an impossibility. It is an impossibility if the view he presents is correct, and it is equally an impossibility if my own view is accepted. We are agreed that the Crowsnest agreement is impossible in its present form; but I disagree emphatically with the minister when he states that the railway board would be bound, if the agreement were left as it is now, to give similar rates throughout the country and that the effect would be to wreck the railway companies. If the minister had read the decision of the Supreme court, and if the Minister of National Defence (Mr. Macdonald, Pictou) had read it, they would not have made the statements which they made this afternoon and evening in regard to this agreement. Let me read from the judgment of the Supreme Court of Canada as it appears in the printed pamphlet distributed to us. It states quite clearly that the points affected by the agreement are only those that were on the railway at the time the agreement came into force. Therefore I say the board would not be bound to give similar rates throughout Canada, for this decision goes on to say:

> When such maxima are fixed by special acts, they must be regarded as exceptions intentionally made by parliament from the application of its general policy against discrimination. . . . Discrimination so authorized by parliament itself cannot be regarded as unjust or prohibitive.

In the face of that decision, how can the minister state to this House and the country that the railway commission would be bound to give similar rates to those authorized by the agreement on similar commodities throughout the country? As a matter of fact, the Crowsnest pass agreement under the decision of the Supreme Court of Canada is dead, and should be buried. Why attempt to revive a dead horse? My hon. friends from the west may think that we in British Columbia have very different views on the subject of freight rates to those entertained by them. Not at all. In fact I think that members in this end of the House are in agreement on the point that the basic commodities of this country, more particularly wheat and flour, are entitled to very special consideration, because obviously the west is an inland empire and must be given an outlet at reasonable freight rates for its principal products. But there are different ways of doing it. In view of public opinion not only in the west but throughout Canada, I think the railway board would have great difficulty in refusing to authorize rates that are distinctly favourable on wheat and flour. I further think that the railway board would adjust the matter so that full justice would be done not only to Manitoba and the eastern portion of Saskatchewan, but also to the western portion of Saskatchewan and the whole of Alberta and British Columbia. There would not be any discrimination between grain flowing eastward and grain flowing westward. There would not be the discrimination which this government has seen fit to introduce between the ports of Vancouver and Buffalo and New York. For that is one of the effects of this proposed legislation. Buffalo and New York will reap the harvest flowing from the western provinces by reason of these favoured rates whereas Alberta and the western portion of Saskatchewan will be asked to pay nearly double these rates to get their grain out by Vancouver. That is the sort of discrimination which this government is guilty of in sponsoring this bill.

There is a second very important feature in this measure. Again I take issue with the Minister of Railways (Mr. Graham) and the Minister of National Defence (Mr. Mac-

donald). I regret very much that they are both out of their seats, because I believe they have misinterpreted the legal effect of subsection six of section three of this bill. To see the significance of this, we must look at the position of British Columbia and Alberta prior to the decision of the Supreme Court of Canada. Since the railway board was created British Columbia and Alberta have always had the right to come before it and present a case based on unjust discrimination caused by rates on grain and flour under the Crowsnest pass agreement. In other words, we could come to the railway board and say, "Because parliament has given these favoured rates on grain and flour under the Crowsnest pass agreement, you must grant the same rates to us westward, otherwise there is unjust discrimination." It is true that we have not succeeded in convincing the railway board, because of other arguments that have been advanced against us. But that right to allege unjust discrimination is taken away from Alberta and British Columbia by this legislation.

Mr. KING (Kootenay): Does my hon. friend really make that statement seriously?

Mr. CLARK: I will prove it by decisions. I quote from page 78 of volume 22 of Canadian Railway Cases, being the judgment of the chief commissioner of the Board of Railway Commissioners in re increase in passenger and freight tolls:

> The Crowsnest pass agreement again does not call for lower rates for the whole territory as now operated. The reductions apply merely to the then existing tariffs and, therefore, to operations of the company as carried on at the time that act was passed.
>
> I am of the opinion that discrimination should be avoided and that the effect of the Crowsnest pass agreement must be extended to the system of the company as to-day operated.
>
> Under present tariffs no distinction is made between stations in the territory covered by the company's tariffs in effect when the agreement was made and those upon its subsequent construction. The board, in my view, ought not to permit any such distinction to be now made. The Crowsnest pass agreement was considered by the late Chief Commissioner Killam in British Columbia Pacific Coast Cities v. Canadian Pacific Railway Company (Vancouver Interior Tolls Case) 7 Canadian Railways Cases 125. His judgment reads:—
>
> As a result of this act and the agreement made under it, the company made tariffs of reduced rates upon the classes of merchandise referred to, not only from Fort William and points east thereof westward, but also from Winnipeg westward, without similarly reducing rates on the same classes of merchandise from Pacific points eastward. These reductions cannot be considered as having been forced upon the company, but were the result of an agreement which it chose to enter into for the purpose of obtaining a subsidy in aid of the construction of a line of railway. The agreement and the statute did not even deal with rates from Winnipeg at all. When the statute was passed, and when the agreement was made, the law prohibited unjust discrimination between localities, and while parliament did not stipulate for similar reductions over western portions of the company's railway, it should not, in my opinion, be considered as having authorized what would, if done otherwise, have produced unjust discrimination. I think that we are justified in inferring that, in respect of the classes of merchandise to which these tariffs relate, the reductions did result in such discrimination, and that the rates from Vancouver eastward upon similar traffic carried under similar circumstances should be proportionately reduced.

Mr. McMURRAY: Whose judgment is that?

Mr. CLARK: That principle I am referring to was enunciated by the late Chief Commissioner Killam in the early days of the railway board and was followed repeatedly by the Board of Railway Commissioners, and if I am not mistaken, was also enunciated in the most recent case under the Crowsnest pass agreement by the present Board of Railway Commissioners. I refer to the Dominion Law Reports, volume IV, page 657, in which Commissioner Boyce re-enunciates that principle in a few words:

> It is to be observed that the additional subsection did not in any way alter or impair any jurisdiction the board otherwise had to disregard agreements resulting in unjust discrimination in rates. The board had decided that it had such a jurisdiction and had exercised it in a definite and pronounced manner.

Then he cites various cases in which the Board of Railway Commissioners had recognized that British Columbia could advance effectively the plea of unjust discrimination resulting from the Crowsnest pass agreement. Now that plea has been effectively taken away by this legislation. British Columbia and Alberta and Saskatchewan can no longer come before the railway board and argue that they are entitled to more favoured rates than they are now getting because of unjust discrimination caused by this legislation. The Minister of Public Works asks me if I argue that seriously. The reason for it is contained in the judgment of the Supreme Court of Canada recently delivered, in these words:

> When such maxima are fixed by special acts they must be regarded as exceptions intentionally made by parliament from the application of its general policy against discrimination. Discrimination so authorized by parliament itself cannot be regarded as unjust or prohibited.

That means this: The Supreme Court of Canada has repealed the legal effect of these various decisions given by the Board of Railway Commissioners over many years past, and now under the judgment of the Supreme Court of Canada, British Columbia, Alberta and Saskatchewan can no longer go to the Board of Railway Commissioners and allege unjust discrimination as a ground for equalization of freight rates, or for giving us the same basis of rates, or anything approaching the

same basis of rates as are given by the Crowsnest pass agreement to the prairie provinces on grain and flour going east.

At first sight I thought that subsection 6 of this bill was designed to put us back in the same position at least that we were in before the Supreme Court of Canada rendered its decision. I thought that the government had at least recognized the justice of giving Alberta and British Columbia the right to allege unjust discrimination as a ground for securing more favoured rates. But not so. Both the Minister of Railways and the Minister of National Defence have declared to-day that there is no such intention, that there is nothing in this act that gives any right to British Columbia. Therefore, as I say, our right to allege unjust discrimination as a ground for remedial action by the Board of Railway Commissioners is taken away if this legislation passes in its present form. It legalizes the discrimination.

Now let us look for a few moments at some of the clauses contained in this order in council. At page 5, paragraph 3, I find this:

> The committee observe that the agreement in question was made at a time when the Canadian Pacific Railway Company was the only company having a through line of railway extending through the prairie provinces and British Columbia, and before the creation of the board for the control of railway rates under the provisions of the Railway Act of 1903 and subsequent acts; and further, that the underlying purpose of the rate control inaugurated by the Railway Act of 1903 was to do away as far as possible with all unjust discriminations and undue preferences, and to secure a fair and reasonable rate structure, which, under substantially similar circumstances and conditions would be equal in its application to all persons and localities.

Just fancy the government introducing legislation of this character based on such a declaration, legislation which, in the declaration of the Minister of Railways and the Minister of National Defence, expressly authorizes this discrimination against British Columbia.

Mr. MACDONALD (Pictou): Does my hon. friend mean to say that I stated that this legislation expressly authorized discrimination against British Columbia? I said nothing of the kind. I said it does not affect British Columbia one way or the other, not within a hundred miles of it.

Mr. CLARK: I regret the Minister of National Defence was not in when I was explaining my reasons for saying that the rights of British Columbia had been taken away by this legislation. The Minister of National Defence said that British Columbia's rights are not affected one way or the other by this legislation. I say the Minister of National Defence is wrong, and I intend, if necessary, to take up a few more moments of the House in reiterating my argument if the minister will give me his ear.

I have already made it quite clear, and I have given the authority proving without a shadow of doubt that before the judgment of the Supreme Court of Canada was given, British Columbia had a right to come before the Board of Railway Commissioners and argue unjust discrimination as a ground for an alteration in their freight schedules in regard to wheat and flour. I say that, because of this section, they no longer have the right to allege unjust discrimination as a ground for any change in the rates on grain and flour from Alberta westward, or from Saskatchewan or any other province westward. The Minister of Railways unfortunately was not here either, and I once more reiterate the expression of the Supreme Court of Canada to prove that statement:

> When such maxima are fixed by special acts they must be regarded as exceptions intentionally made by parliament from the application of its general policy against discrimination. Discrimination so authorized by parliament itself cannot be regarded as unjust or prohibited.

Now before that decision was rendered, the Board of Railway Commissioners, under the authorities I have cited, always recognized the right of British Columbia to come in and allege unjust discrimination as a ground for more favoured freight rates. That decision of the Supreme Court of Canada is not altered or affected by the legislation the minister introduces to-day. I say that that decision stands in full force and effect, that these favoured rates are authorized by special act passed by this parliament, and that no longer because of that decision can British Columbia come before the Board of Railway Commissioners and argue unjust discrimination as a ground for more favoured freight rates.

Mr. McMURRAY: Supposing the Crowsnest agreement stood, would not the board be obliged to follow the law laid down by the Supreme court? Would they not be precisely in the same position?

Mr. CLARK: I would be quite happy to see this government allow the law to stand as it is now because the Crowsnest pass agreement is dead. The only thing that remains to be done is for this country to bury it. The Crowsnest pass agreement, as a result of the judgment of the Supreme court, is, on the Minister of Railway's own admission, inoperative, is an impossibility, and I fully agree with the minister in his conclusion.

Mr. McMURRAY: I understood my hon. friend was arguing that under the old Crowsnest pass agreement he would be in a better position than under the proposed legislation.

Mr. CLARK: Yes, that is quite correct.

Mr. McMURRAY: If the old Crowsnest pass agreement were left would not the Board of Railway Commissioners be bound to follow the law that was laid down there and to make a discrimination as the Supreme court has ruled?

Mr. CLARK: Yes, but fortunately for British Columbia the Supreme court recognized the injustice to this country by an extension of the Crowsnest pass agreement beyond the points that were on the Canadian Pacific Railway at the time the agreement came into effect. Consequently I am satisfied with the Supreme court's decision because it kills the agreement. I say the only thing that is left to be done is to bury it. This government has failed to do the one thing it should have done —an opportunity presented to them that was unparalleled since it came into office in dealing with this question and an opportunity lost. All it had to do was to repeal the agreement and turn the whole thing over to the Board of Railway Commissioners. Now, why did not the government leave this question to the Board of Railway Commissioners for settlement? Was the government afraid that the board would find itself prohibited by the principles of common fairness from doing such a wanton injustice to the provinces of British Columbia and Alberta? The government by laying down the principles enunciated by this legislation has made itself a party to the grossest discrimination possible; and has thereby invited the Board of Railway Commissioners to proceed in their investigation upon the same inequitable principles that they themselves have adopted in laying down this legislation for the guidance of the board. Let us look at one or two other clauses of the order-in-council. I quote as follows:

> The committee are of the opinion that the policy of equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada, and as being the method best calculated to facilitate the interchange of commodities between the various portions of the Dominion, as well as the encouragement of industry and agriculture and the development of export trade.

Does the government suggest there is anything new in that? Why is that in this order-in-council? Once more I refer to a decision, this time by the late Chief Commissioner Mabee, in his judgment in the Crowsnest Pass Coal Company versus the Canadian Pacific Railway Company, 8, Canadian Railway Cases, page 41. He says:

> The Railway Act requires that under substantially similar conditions the tolls charged shall be equal to all persons, and at the same rate, whether by weight, mileage or otherwise, and any reduction or advance either directly or indirectly is expressly prohibited. No undue or unreasonable preference or advantage can be permitted to any person or company. The object of the legislation is to place every one upon terms of absolute equality, and if agreements were permitted to be entered into for reduction in tolls or for other preferential treatment, the door would be opened wide for the defeat of the Act, and the Board would be called upon to struggle with all sorts of conditions, opinions, and complications in the determination of such cases.

Now here we have the board placed by legislation of this parliament in that very position. The government declare in an order-in-council for equalization, and then they fix rates by statute upon certain specific articles. They legislate for rates on certain specific articles in spite of the fact that the opinion of the board is that if that sort of thing is done they will be called upon "to struggle with all sorts of conditions, opinions, and complications in the determination of such questions".

Let me now quote further from the order in council:

> The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great grain-growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present in force under the Crowsnest pass agreement, should not be exceeded.

If it is desirable that these rates should be determined and known, why put them in the act for one portion of the country and not for the other? Does grain or does flour lose its peculiar characteristics simply because it is travelling west? Does it become something else? The minister of course said "Oh, we are only dealing with the Crowsnest pass agreement." But the Crowsnest pass agreement being dead—indisputably dead on his own admission—and unworkable in every sense of the word, does he suggest in the face of that that there is any greater right to any particular point in the country to have special rates on grain and flour going east rather than that there should be the same rates going east and west? Is there any special reason? If there is I fail to see it; and I advance this reason for the consideration of the minister, as well as for the consideration of the Minister of Public Works who is from British Columbia and I know is vitally interested in the subject. In 1911 the electors

of British Columbia endorsed a guarantee by the province of the bonds of the Canadian Northern Railway. The people of that province incurred a liability of something like $36,000,000 to build the Canadian Northern through the province of British Columbia. They accomplished a feat, a feat that has not been accomplished by any other people on the continent of North America. They built a line with the lowest gradients of any mountain railway on this continent by their own efforts, and they stood behind the enterprise with their credit. Which of these people to-day is entitled to the most favourable consideration? I am not arguing that we should get more favourable consideration than anybody else; we do not want it, we want a fair deal, that is all. But comparing ourselves with those who are interested in grain going east who is in the stronger position? What did the people of the northwest do to entitle them to the favoured rates given by the Crowsnest pass agreement? Who supplied the $3,500,000? Did British Columbia supply its share of that, or was it supplied by the three prairie provinces? The argument is unanswerable. The main portion of it was supplied by the people here in Ontario and Quebec, but we in British Columbia supplied our share. What is there in the Crowsnest pass agreement that gives any portion of Canada an inalienable right to the rates laid down to-day? Why is British Columbia not just as much entitled to favoured rates over the line that it stood behind, the line that it promoted, for which it pledged its credit to build as the prairies provinces, or one section of the people on the prairie provinces for their grain going east? I should not lay so much stress on the people of the prairie provinces, because it is in the interests equally of the ports in the east, the ports of Buffalo and New York, to have the grain going east. The interests of the prairie provinces, particularly the western portions of Saskatchewan and Alberta, are identical with those of British Columbia. They need a favoured or an equitable rate on grain and flour to the nearest seaport more than the people of British Columbia need it. It will work out to their interest to a far greater degree than to our interest, but it is our common interest and the common interest of all the people of Canada that the grain should go to the nearest seaboard, and that the people inland should be able to purchase their requirements from the nearest seaboard. Is it not just as much in the interests of Alberta and Saskatchewan that they should have favoured rates on the lumber coming from the Pacific coast as it is that they should have favoured rates on grain and flour travelling across the continent, thousands of miles by land more than it would need to travel if it were allowed its natural outlet?

I may have been blunt and emphatic in my remarks, but I appeal to the government, if there is to be any spirit of fair play in this matter to look at this proposition from the point of view of a small minority who are not in a position to represent their views in the way that Ontario and Quebec are able to do, or in the way that the combined provinces of Alberta, Saskatchewan and Manitoba are in a position to do. I say that we, a small minority of a little over 500,000 people out of about 10 million people, are being grossly discriminated against under this legislation. Irrespective of what any member of this government can say, I challenge the government to refer subsection 6 to the Justice department or any independent tribunal, and I feel perfectly certain that they will confirm the interpretation I have given of it and which I say is supported by the decision of the Board of Railway Commissioners and the Supreme court of Canada.

Mr. HUGHES: I think this is the proper time for me to present to the minister and committee the views I entertain on one phase of this question. The order in council which refers this matter in large measure to the railway commission contains a paragraph in regard to the Maritime provinces. It is addressed to the railway commission and says that they are:

> To take into consideration and pay particular regard to the claims asserted by the Maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919.

It seems to me a large number of the members of this House, some members of the government, the right hon. leader of the opposition (Mr. Meighen) and I think the hon. member for St. John and Albert (Mr. Baxter) entertain the idea that a reduction of the freight rates to and from the Maritime provinces to central and western Canada, and a reduction going east, would in some way be a comparative advantage or a special advantage to the Maritime provinces. According to my way of looking at the subject, there could be nothing more fallacious. The railway commission, if it gives a reduction on commodities of any description from the Maritime provinces to central Canada, must necessarily give a similar reduction on similar commodities going from central or western Canada to the Maritime provinces. Wherein then, could there be any comparative or special advantage to these

provinces by the sea? There might be even a disadvantage; if the local railways rates were not correspondingly reduced there would be a decided disadvantage to the Maritime provinces. I think I can make that clear by one or two illustrations. For instance, there are foundries in Sackville that specialize on stoves. Suppose a rate on that article going into central Canada were reduced, and a similar reduction made on similar articles coming from Hamilton, Toronto and other parts of Ontario where these articles are manufactured, into the Maritime provinces, would that give any advantage to the foundries in Sackville? You can see at a glance that it would not. The foundries in Sackville can hardly be expected to invade the fields supplied by the Ontario manufacturer, and pay the higher freight rates they would necessarily have to pay by travelling a greater distance. The most these factories could be expected to do would be to hold the Maritime province field or a part of it. Then if the long haul rate, from the central provinces into the Maritime provinces was reduced and a short haul, or a local rate in the Maritimes, were not correspondingly reduced, the factories in Sackville would be placed at a disadvantage, and what would apply to those manufacturing industries would apply to every other manufacturing industry in the Maritime provinces.

I will take the article of grain in which the farmers are interested, and I will refer to Prince Edward Island. The competition we have to meet in the Maritime provinces in the articles we produce comes from western and central Canada. I know a company in Prince Edward Island that had to sell two cars of oats within the last two weeks at ten cents a bushel less than they paid the farmers for them, and the price paid the farmers was not excessive. That loss was occasioned because of competition, because oats from central and western Canada could be placed in the Maritime provinces at a price that compels the trader in Prince Edward Island to sell at a loss, in part on account of the low rate for the long haul and the high rate for the short one.

Mr. BANCROFT: Does the hon. member know the rate per bushel from northern Saskatchewan to Prince Edward Island?

Mr. HUGHES: No, but the three central places where grain could be sold in the Maritime provinces would be St. John, Halifax and the Sydneys; the distance from Prince Edward Island to such a central point would be less than one-third of the distance from Toronto to the same point, and the rate from Prince Edward Island is a little more than three-quarters of the rate from Toronto. Apparently a discrimination exists there, and that is one of the things that a layman does not understand and as regards which we have to take the decision of the railway commission or whatever body fixes the railway rates. That difference is apparently too great. The local rates in each province appear to be too large. I know, as a matter of fact, in the province from which I come, traders, men engaged in business, for short hauls, use motor trucks and, in some instances, horse power to move their goods because the local rates are so high. The trains are passing over the route in any case, and it appears to a layman that the rates are so high that they injure the business. I presume this order in council as it stands is an advice to the railway commission that when they are considering the through or long haul rates and when they are reducing the rates, as they will if they comply with the request in this order in council, they will at the same time take into consideration the local rates among the Maritime provinces themselves and the local rates in each of the provinces. I should like to have the attention of the minister to the remarks that I am making. I should like to have the attention of the leader of the opposition and that of the leader of the Conservative party from the province of New Brunswick, a man who is much interested in the welfare of the Maritime provinces, the hon. member for St. John and Albert (Mr. Baxter), because I think these hon. gentlemen entertain the idea that a reduction in freight rates between the Maritime provinces and the central provinces would in some way be, comparatively speaking, a special advantage to the Maritime provinces. That is an idea which, in my opinion, is wholly fallacious.

Mr. BAXTER: How about a reduction on west-bound rates?

Mr. HUGHES: From where to where?

Mr. BAXTER: From the Maritime provinces west.

Mr. HUGHES: West to where?

Mr. BAXTER: West.

Mr. HUGHES: West to Montreal or Toronto?

Mr. BAXTER: Any distance the hon. member likes to go.

Mr. HUGHES: I have just been speaking on that subject, and I think the railway commission that would fix those rates in central or western Canada must necessarily give the same rates on the same commodities from these same points to the Maritime provinces.

Sir HENRY DRAYTON: They are not doing that now.

Mr. HUGHES: If they do not do that now, to that extent it would be some advantage to the Maritime provinces. But even with a reduction of freight rates I would ask hon. gentlemen on this side or on that side, because I am not talking party politics at all, as I am trying to present the views that I entertain with regard to the Maritime provinces, what commodities could we send into central Canada under lower freight rates that we are not sending there now? We cannot send grain into the central provinces of Canada because they are our competitors in that. We cannot send potatoes into the central provinces.

Sir HENRY DRAYTON: You have done so.

Mr. HUGHES: We have when there has been a famine, a failure in the crop but under ordinary conditions we send very few potatoes into the Montreal market. We do not send anything else.

Mr. HOEY: Could you not send fish in?

Mr. HUGHES: We send fish in now at a low rate. I will come to that in a moment. We could, of course, send coal into that market if the railway rates were made so low that we could sell coal in the central provinces cheaper than American coal, but who would get the benefit? Would that not benefit the central provinces as much as it would benefit the Maritime provinces? The idea that I wish to impress upon the committee is that lower freight rates to and from the central provinces is of no special or comparative advantage to the Maritime provinces.

Sir HENRY DRAYTON: What about the rate on iron and steel to Montreal?

Mr. HUGHES: With regard to fish, at the present time we are supplying central Canada with fish and it takes just 4½ per cent of our catch.

Sir HENRY DRAYTON: Would the hon. gentleman advocate raising the rates to central Canada?

Mr. HUGHES: No, but I want to impress upon the hon. member for West York and hon. gentlemen who sit near him that when he and they try to give this House or the people of Canada the impression that a reduction of freight rates to and from the Maritime provinces is such an advantage to those provinces that it compensates them for higher customs duties or other taxation that may be imposed upon them, they are making a statement that is not correct. Those rates, if and when reduced, are of no special or comparative advantage to that part of Canada and they may be a distinct disadvantage for the reasons I have already stated if the local rates among the Maritime provinces and in each province are not correspondingly reduced.

Mr. CALDWELL: Why should the local rates not be reduced in comparison with the other?

Mr. HUGHES: That is the very thing I wish to bring to the attention of the railway commission, the Minister of Railways and whoever may have the ear of the railway commission. In 1924, the long haul rates were reduced by 10 per cent and the local rates were not reduced at all. Therefore, I fear that if this went through without the Maritime men calling the attention of the railway commission to this phase of the question, it is just possible that what happened in 1924 might happen again. It is that phase of the question that I wish to bring particularly to the attention of the committee and of the Minister of Railways, so that what took place in 1924 will not under ordinary conditions take place again, and that the Maritime provinces will not be placed under that disadvantage while at the same time the idea goes forth that we are getting an advantage.

Mr. CALDWELL: When this question was before the House in 1922, I supported the Crowsnest pass agreement because I believed that agreement meant just what it said. For instance, on freight moving westward the agreement stated that it applied to freight that originated at all points east of Fort William on the Canadian Pacific railway line, and up until that time it had been applied to all lines owned or operated by or for the Canadian Pacific Railway, although they were not in existence previous to 1897. The decision of the Supreme court last winter, I think we will all agree, threw the Crowsnest pass agreement into an impossible position; and I am somewhat surprised to find the government adopting the proposed method of overcoming the difficulty. For instance, in order to remove the discrimination on westbound freight they cut out all advantages that formerly accrued to the eastern provinces on westbound freight under the Crowsnest agree-

ment, and they removed the discrimination on grain and flour coming to the east by extending the provisions of the Crowsnest agreement to practically three times as much territory as the old act applied to. This does not seem right to me; it does not seem consistent; nor does it seem fair. To wipe out all the advantages the east enjoyed under the Crowsnest rate and to extend the advantages which the west enjoyed under the old act does not strike one as the proper way to go about adjusting matters. Either there should have been an ironing-out of discrimination east and west, or; if it was intended to wipe out any part of the act, the whole thing should have been abrogated so that everyone might have been given an even break on railway rates in Canada.

As regards the order in council referring the matter to the railway commission, I do not take much stock in the pious wish that the commission shall consider the claims of the Maritime provinces to the rates they enjoyed previous to 1919. I appreciate the thought the government had in mind in expressing that wish, but my point is that it will have little if any influence on the commission. I am afraid it will have none. There is another claim made by our western friends, that the rates under the Crowsnest agreement are higher than the eastern rates. I am not in a position either to affirm or to deny this statement, but if it is true I can hardly understand why they should wish to maintain that condition by statute; I do not see why they should not be anxious to have it set aside, if by statute the higher rate is maintained on their commodities than obtains in other parts of Canada.

Mr. LEWIS: They might increase them still higher.

Mr. CALDWELL: An hon. gentleman says they might increase them still higher. Well, another hon. member has said that the western provinces have lost confidence in the railway commission. I do not know whether that lack of confidence is confined solely to the prairie provinces, but if this is the case, the prairie provinces evidently think that the railway commission is good enough for the rest of Canada while it should not apply to themselves. Possibly those of us in other parts of Canada may not have altogether lost confidence in the commission; but when you come to delve into railway rates, as I have endeavoured to do in the past few weeks, to ascertain just where we stand and what our position will be in the future—and that is what I am really more interested in—you will find, as I have found, that there has been no application of logic in the fixing of rates by the commission. I shall quote a few rates before I am through to substantiate this statement. A lumber firm in New Brunswick wrote me some time ago inquiring how it had come about that British Columbia could dump lumber into eastern markets at a cheaper rate than our lumber men could land their product, notwithstanding that the latter were nearer to these markets. My correspondent referred particularly to the Boston and New York markets. It is true that the special rate on the Panama canal enables British Columbia to get into those markets at a cheap rate, and that is a concession which no one would wish to deny British Columbia. But I was somewhat surprised when I came to look up the rail rates on lumber from British Columbia to New Brunswick and vice versa to find that British Columbia had a great advantage over the lumber men of New Brunswick. In this connection I wish to quote the rate on lumber, which is given in dollars and cents per hundred pounds.

Mr. McMASTER: Is not the difference due to water competition?

Mr. CALDWELL: I think I can convince the hon. member that this anomaly is not due to water competition. I asked for the rate between Vancouver and Plaster Rock, New Brunswick, and I purposely took an inland point to avoid any question of export rate. Now, I find that the rate for lumber from Vancouver to Plaster Rock, New Brunswick, a distance of 3,222 miles, is 103½ cents per hundred pounds. Plaster Rock is a point in New Brunswick at which large lumber mills are operating. The rate from Plaster Rock to Vancouver, over the same rails and exactly the same distance, is 142 per hundred.

Mr. KING (Kootenay): Make the comparison from St. John to Vernon.

Mr. CALDWELL: I have not the rate from St. John to Vernon but I can quote it from St. John to Vancouver.

Mr. KING (Kootenay): That is not a fair comparison. You cannot take it from Vancouver to an interior point in New Brunswick and give that as a typical rate. Compare that with the rate from St. John or some other water point in New Brunswick to an interior point in British Columbia and your comparison will be fair.

Mr. CALDWELL: A fair comparison would be between the two ocean ports of Vancouver and St. John, and I am able to give the figures in that regard. From Vancouver to St. John the rate is 103½ cents, the same as from Vancouver to Plaster Rock, while from St. John to Vancouver the rate is 142 per hundred. And they are both ocean ports. I think a worse comparison may be given. Our British Columbia friends have always contended that the mountain rate militates against that province, but I think I can show by comparison that it must be an advantage to British Columbia to ship over the mountains because they can ship from Vancouver over the mountains to Plaster Rock, New Brunswick, at 103½ whereas to ship from Plaster Rock to Calgary or Edmonton —and this does not go over the mountains—we are obliged to pay 126, or 22½ cents per hundred pounds more from our point in New Brunswick to Calgary or Edmonton than the lumber man pays from Vancouver to Plaster Rock. To my mind this is discrimination of the worst kind. I took this matter up with the railway commission some time ago and I shall quote some of the correspondence that passed on the subject. I may say, by the way, that the rates I have given were confirmed by the railway commission. I had obtained these rates but thinking that possibly they were not correct I went to the commission to have them verified and accompanying the statement of rates there was a memorandum setting forth some of the reasons. The memorandum stated:

> So far, therefore, as the comparison of rates proving anomalies or disparities eastbound versus westbound is concerned, in my opinion, it is meaningless, because the movements are not comparable, and, further, if there was any actual movement westbound from some of these shipping points shown, unquestionably the rates would be on a different basis as it is evident the rates shown in the statement are largely "paper rates."

I shall quote a paragraph from my letter in reply to that statement, which I regarded as a most remarkable one. In another place the statement had been made that the only movement of lumber west was hardwood flooring. In reply to this I said:

> With regard to his statement that the westbound movement of lumber is confined largely to hardwood flooring, I think possibly this is correct, as it is possibly the only lumber we have in eastern Canada that would sell dear enough in the western market to stand the present very high freight rate.
>
> With regard to his other statement, that if there was any actual movement westbound from some of these shipping points shown, unquestionably the rates would be on a different basis. I think in this latter instance he has stated the case backwards. If he had said, if the rates were on a different basis, unquestionably there would have been a movement westbound from some of these shipping points, he would undoubtedly have been right as I have no doubt that there is a good market in the middle western provinces for the spruce lumber of New Brunswick for building purposes, and I hope to take up with your board at your earliest convenience the question of securing a cheaper rate on our lumber from the Maritime province ports to central and western Canada.

To that Mr. Commissioner Boyce replied:

> Speaking for myself, and in accord with the replies that the board has given to similar requests for reductions or equalizations of specific rates, it would appear that until the whole rate structure is dealt with on a definite policy, probably to be decided by the government, it would, I think, be undesirable for the board to deal with specific applications until it has before it the general policy.

That is the policy, Mr. Chairman, which I presume we are now considering. I am not at all satisfied with the policy brought down by the government, because, as I said before, in endeavouring to iron out the discriminations that obtain under the Crowsnest pass agreement since the decision by the Supreme court, they propose to take away all the advantages the east ever enjoyed under that agreement, and to cut out the discrimination on grain and flour coming east by extending the operation of this commodity rate to a very large degree indeed. I think the Minister of Railways said that the old act applied to something less than three thousand miles of railway in the west.

Mr. GRAHAM: When it was first passed.

Mr. CALDWELL: Yes; and that while it had been applied by other roads, they were not compelled to do so. Since the decision by the Supreme court I imagine they will no longer apply those rates in the absence of special legislation. This bill, the minister said, extends the application of those rates to fifteen thousand miles of railway that the old act did not apply to at all.

Mr. LEWIS: Would not the hon. gentleman consider it a benefit to the east to be able to get wheat and flour from the west at a cheap rate?

Mr. CALDWELL: I am glad the hon. member has asked that question, because I got a quotation on wheat for local consumption and for export. By the way, we have mills in New Brunswick that import western wheat and grind it to supply the farmers with feed for their stock and flour for local consumption, because we do not grow enough wheat in eastern Canada to meet our own demands. If we want to ship wheat from Winnipeg to St. John or any other approximate point in New Brunswick we have to pay 69½ cents per hundred pounds; but if it is sent through for

export the rate is only 49½ cents per hundred pounds. So for domestic purposes we have to pay 20 cents per hundred pounds more. This is the sort of discrimination we suffer in New Brunswick.

Now, with regard to the increases in the rates on local commodities, I was hardly able to follow my hon. friend from Kings, P.E.I. (Mr. Hughes) to-night, although I am usually able to agree with him, especially on tariff matters. He argued that a lowering of freight rates even between the Maritime provinces and central Canada would not be a benefit to the Maritime provinces.

Mr. HUGHES: Comparatively.

Mr. CALDWELL: We do have commodities that we want to ship to the western provinces. For instance, last winter because of a shortage there we shipped potatoes to Calgary.

Mr. HUGHES: Last year potatoes were bringing a price in the Maritime provinces far below what it cost to produce them. That was an exceptional condition.

Mr. CALDWELL: We did get a special concession to Winnipeg and points west, but we could not get any similar concession to other points nearer at hand. We shipped potatoes as far west as Calgary and North Battleford. I traced three of the shipments through, and I found that potatoes for which our farmers got 22 cents a bushel retailed in North Battleford at $1.85 a bushel. If that market is any good to the farmers of the Maritime provinces, they would need a magnifying glass to detect it, because the cost of producing those potatoes was at least 40 cents a bushel.

Mr. LEWIS: What was the rate to Edmonton?

Mr. CALDWELL: I do not recall at the moment. We got two reductions last winter in order to get our potatoes there at all, rather than dump them over the bank. I find that the rate from Andover to Montreal, a distance of 505 miles, was 17 cents per hundred pounds in 1913; in 1919 it was 19 cents per hundred pounds; but to-day it is 32½ cents per hundred pounds, or an increase of nearly 100 per cent over 1913. This is a prohibitive rate for such a short haul. This is what is affecting us very severely in the Maritime provinces, and we want some relief if it is at all possible to get it. As I said, I am afraid the pious wish contained in the order in council will not get us very far. I do not think that the members of this House are qualified to set specific rates in any direction, but I do think this parliament must lay down a policy under which the railway commission will fix the rates. In this proposed legislation there is no policy for Canada as a whole. There is a special provision for a certain section of the Dominion on a specific commodity, and the rest of us will have to take pot luck. I think the railway commission is the logical body to set rates. At the same time, I have not always been satisfied with the rates they have set, due largely, I think, to the fact that they have been interfered with by special legislation, but more often by special pressure brought to bear by different interests in this country. I think the railway commission should be put in just the same position as the Canadian National Railways—it should be absolutely free from political interference in the fixing of rates. I do not think there should even be a pious wish sent to the commission from the government as to what it should do. If the commission do not make just and equitable rates, I think the government should fire the commissioners so fast that we would forget their names. That is what should happen to them if they do not deal out justice to all parts of Canada.

Another matter was drawn to my attention by the lumber company that wrote me about their special rates. This is possibly the second largest lumber company in eastern Canada, and in addition to their lumbering operations they own and operate a number of large farms where they have embarked on the breeding of pure-bred stock to a considerable extent. During the past winter they sent their stock man to Ontario to purchase some pure-bred cattle. He bought two carloads, and they were loaded at a place called Inkerman, about ninety miles west of Montreal. By the way, in writing me about the freight rates on lumber the company incidentally mentioned this shipment of cattle, and said they were not able to get the same rate on them as would have been accorded them on a western shipment. I am interested in the raising of pure-bred cattle myself, and I wrote them for further particulars. Their letter in reply is dated May 23, 1925:

> Your letter of the 16th instant referring to rates on cattle.
>
> The particulars in regard to this are, that this year, we bought two carloads of pure-bred cattle in Ontario, some ninety miles west of Montreal, and loaded them at Inkerman station, Ontario. Mr. Irvine, Canadian Pacific Railway station agent there, notified our men that there was a cheaper rate on pure-bred cattle, but it only applied to cattle being shipped west and not coming east of Montreal.

Mr. GRAHAM: The cheaper rate west would be under the Crowsnest pass agreement.

Mr. CALDWELL: I am not in a position to contradict the minister, but I think he is wrong.

Mr. GRAHAM: I am absolutely right.

Mr. CALDWELL: I have read the Crowsnest Pass Act from start to finish a good number of times, and I fail to find cattle mentioned in it at all anywhere.

Mr. GRAHAM: Cattle come under the agreement.

Mr. CALDWELL: Then my glasses must be poor, because I have never seen cattle mentioned there.

Mr. GRAHAM: They give the Crowsnest rate to cattle whether it is in the agreement or not.

Mr. CALDWELL: I think they do. The agreement might have had a sympathetic effect on the rate on cattle. I thought there must be something wrong, and I took this matter up with the Live Stock department, and I received a letter from the Live Stock Commissioner, dated June 15th, reading as follows:

Following conversation this morning and with reference to letter, herewith returned, addressed to you by the Fraser Lumber Company, I beg to advise that, in shipping a carload of pure-bred cattle as between points in eastern Canada, the shipper cannot do better than ship at the ordinary carload rate.

It is only in cases of less than carloads that the reduced pure-bred rate applies. Furthermore, even in shipping less than carloads of pure-bred live stock, when there are more than say five cattle in the car, it usually works out better even in this case to ship at the carload rate than to ship at the pure-bred rate, which is based on a considerably higher tariff.

The reduced rates in connection with the shipment of carloads of pure-bred live stock, apply only in connection with shipments as between points east and points west. In cases of this kind, the settlers' effects rate applies, which is about 30 per cent less than the ordinary rate.

As I said, in delving into this matter I have not been able to find a case with regard to railway rates where the Maritime provinces seem to be getting an even break with anybody. We seem to be getting it where the chicken got the axe in almost every case.

With regard to rates between the Maritime provinces and other parts of Canada, I do not agree, however, with the hon. member for Kings (Mr. Hughes) that we have not got any reduction in local rates, especially in New Brunswick.

Mr. HUGHES: I did not say that. I say we did not get any reduction in 1924 when the long haul rates were reduced.

Mr. CALDWELL: I think it was in 1923 that I am referring to. We had an export rate on potatoes, and it is more or less a local rate, because it is a short haul to the seaboard. Our rate from Florenceville to St. John, New Brunswick, an average point in the St. John river valley, where we grow a lot of potatoes, was 23½ cents per one hundred pounds, for export.

Mr. HUGHES: I was talking of shipments to the central markets, Montreal, for instance.

Mr. CALDWELL: I was instrumental in calling a meeting of the potato shippers in New Brunswick and getting representatives of the two railroads to meet a committee in Woodstock to discuss this question.

Mr. HUGHES: That was shipments for export?

Mr. CALDWELL: Yes that is where our movement went that year. After putting up our case, the representatives of the railroad companies told us it would be impossible to give us any reduction in rates, and most of those at the meeting were very disappointed. However, I realized that we had taken the matter up wrong. We had had the railway companies send us their traffic men, whose duty it is to go and meet the public, and endeavour to make them believe they are getting a little better deal than anybody else in Canada. I suggested that we should get a small committee to go to Montreal and meet the management of the railroad companies. We did this, and got a reduction of 6 cents per hundred pounds on a rate of 23½ cents, which was a little better than 25 per cent reduction on our potatoes for export, and this did assist materially in the export of our potatoes that year. But this past winter England put an embargo on potatoes, a thing that made me feel as un-British for a few days as anything that has ever happened since I have been a man, especially in view of the preference that we give to British goods coming to Canada, and by the way, I am still in favour of the British preference. Our only outlet then was Cuba. It was not a very paying market. Potatoes were selling very high in the Canadian west, where they were very scarce, and we therefore set about to get a reduction in the rate to that point, which we accomplished. However, the distance is so great that we were simply able to get the potatoes out there, rather than throwing them out in the spring; we did not make anything on them.

That brings me to another point. Our friends speak of the home market. There was a wonderful home market in the Canadian west for Canadian potatoes, but while the consumer there would have to pay this last

winter $1.85 a bushel for our potatoes, we were only able to get 20 cents per bushel for them in New Brunswick. A home market of that kind is not of much benefit to producers in Canada.

Mr. LEWIS: Surely it did not cost $1.60 for sixty pounds.

Mr. CALDWELL: That is what it cost to get the potatoes to the consumer's kitchen. I can show the figures, what the shipper got, what the wholesaler got, what the retailer got, what the freight was, and what it cost the consumer. Those potatoes sold in North Battleford for $1.85 a bushel.

If I might digress just at this point, business is being held up in this country by combines in trade, one of which we unearthed in New Brunswick this winter, with the assistance of the Combines Investigation Act. I know my right hon. friend to my right (Mr. Meighen) has sneered at that act more than once, but I hope he will read the interim report of the investigation that has been carried on in New Brunswick during the past winter. I think it will help him to realize that, after all, that act is a pretty good act, and that it is needful we should go after some of these people.

Mr. MEIGHEN: What has happened the combine?

Mr. CALDWELL: Nothing yet. The interim report has only just been published, but if they get their just deserts, they will not ship potatoes next winter.

Mr. MEIGHEN: You cannot get any action under that act.

Mr. CALDWELL: Our western friends have told us that their rates are higher than in eastern Canada, but they were very careful not to compare them with the rates in the United States for corresponding distances to the head of the lakes. On looking over this list—I will make only one comparison—I see that from Edmonton, Alberta, to Fort William, a distance of 1,267 miles, the rate on wheat is 36 cents per one hundred pounds, while from Stonehill, Montana, to Duluth, Minnesota, a distance of 1,265 miles, the rate is 52½ cents per one hundred pounds.

In our case in the east we have no advantage over our American cousins in freight rates. We are a little nearer the seaboard than our American cousins in the state of Maine, but we have to quote, when we ship to Cuba, from 15 to 20 cents a bag under our American cousins' price, in order to get into that market at all, and we have to pay our own freight rates, which are heavy enough. We have also been subject to the "middle against both ends" in the potato trade in New Brunswick, but I hope we shall be able to eliminate that if we follow up the report of this investigation and punish the guilty as they should be punished.

I do not wish at this late hour to take up any more time, but I thought in view of the fact that I was not able to support the Crowsnest pass legislation this year, and having regard to the fact that I did support it in 1922, I felt in justice to myself I should give my reasons. I hope I have made it clear both to the House and the country why I have changed my mind on this matter. If the Crowsnest pass agreement applied, as I believed it applied in 1922, I would support it to-day; but I cannot approve of the government's legislation which deprives the east of any benefit it ever had under the Crowsnest pass agreement and extends it more fully to freight coming east.

Mr. LEWIS: The hon. gentleman is not opposed to the Crowsnest pass agreement but to the legislation before us at the present time?

Mr. CALDWELL: I thought I made my position clear, that this legislation deprives us of any benefit we had while it extends it in fuller measure to other parts of Canada.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at 12.15 a.m. (Wednesday).

Wednesday, June 17, 1925

The House met at three o'clock.

DEATH OF MR. T. H. THOMPSON, M.P.

Mr. SPEAKER: I have the honour to inform the House that I have received the following letter:

Members of the House of Commons,

Your kind expressions of sympathy are deeply appreciated and gratefully acknowledged.

Mrs. T. H. Thompson and daughter.

REPORTS

Mr. SPEAKER presented the report of the Editor of Debates on the paid circulation of Hansard as affected by the publicity ordered by the House of Commons on recommendation of the committee on Debates as follows:

Ottawa, June 17, 1925.

To His Honour

The Speaker of the House of Commons.

Sir:—We have the honour to report the procedure and results of the effort to increase the paid circulation of Hansard which was ordered by the House.

The command of the House was given by adopting on July 3rd last the report of the Debates Committee submitted by Mr. Boivin, Chairman, on 30th June. The report read in part as follows:—

"Your Committee have had under consideration certain recommendations providing for a wider and more general distribution of the unrevised edition of Debates at the actual cost of the extra printing, paper and mailing, which has been ascertained to be approximately three dollars per session.

"Your committee recommend that the required steps be taken by the proper officers to inform the general public that the said unrevised edition of debates is available to subscribers, and will be mailed to them daily, upon application to the King's Printer, at the said rate of three dollars per session."

Consulting with Your Honour we were instructed that the members of the editorial staff of Debates were the "proper officers" to carry out this duty. We prepared a plan which, when approved by the Chairman of the Debates Committee, was put in execution. The plan was to ask members of the House for lists of names of those in their several constituencies likely to be interested and then to circularize the partie so named.

We append to this report copies of the printed forms used in this work.

Letters to members of Parliament were mailed January 25 to February 1, those most distant from Ottawa being first. In response 52 lists of names were received, the total number of names being 2,121, an average of about 40 per list. Circulars were promptly sent to the parties named.

When this matter was under discussion in the Debates Committee several members expressed the opinion that the press would probably take an interest in the movement and would promote the circulation of Hansard. Acting on this suggestion we communicated with the Canadian Press, the resident members of the Press Gallery, and others. The result was that Hansard as a subscription proposition was mentioned in many papers from coast to coast. Editorial articles recommending the purchase and reading of Hansard were published by some of the foremost newspapers, including those of Montreal, Toronto, Winnipeg and Vancouver.

A special notice was published by the U.F.A. advising readers to send for free booklet explanatory of Hansard. About 100 letters were received as a direct result of this article. Copies of the booklet herewith and samples of Hansard, together with return envelopes were sent to the parties who wrote.

In all, letters were sent to about 2,400 prospective subscribers.

In every case the party was asked to send his subscription direct to the King's Printer.

It was not possible to "key" these items of publicity in such a way as to trace results in detail. But it would seem that the movement as a whole was markedly successful. The King's Printer advises us that whereas the paid list of Hansard up to the end of last session was about 700; the present list is 1,245. In judging of this result it is necessary to allow for the fact that of recent years there has been a steady, though slow, growth in the number of Hansard subscribers. The experience with regard to the plan as above would indicate that further publicity would greatly increase the number of Hansard subscribers.

We have the honour to be, Sir,

Your obediant servants,

A. C. CAMPBELL,
Editor of Debates.

GEORGE SIMPSON,
Associate Editor of Debates.

MARCEL GABARD,
Associate Editor of Debates.

Fifth report of the select standing committee on Railways, Canals and Telegraph Lines.—Mr. Hughes (for Mr. Cahill).

CANADA GRAIN ACT AMENDMENT

Mr. W. F. KAY (Missisquoi) presented the fifth and sixth reports of the select standing committee on Agriculture and Colonization, as follows:

House of Commons, June 17, 1925.

The select standing committee on Agriculture and Colonization beg leave to present the fifth report of the said committee, which is as follows:—

Your committee have had under consideration Bill No. 113, An Act Respecting Grain, and have agreed to report the same with amendments.

All of which is respectfully submitted.

W. F. KAY,
Chairman.

House of Commons, June 17, 1925.

The Select Standing Committee on Agriculture and Colonization beg leave to present the sixth Report of the said committee, which is as follows:

Your committee have had under consideration Bill No. 113, An Act respecting Grain, and have unanimously adopted the following resolution relating thereto, namely:

"That the Committee on Agriculture and Colonization strongly recommends to the government, that, in order that the provisions of Bill 113, An Act respecting Grain, may be made applicable to the whole Dominion of Canada without any possible doubt whatever, steps be taken by this government to approach the governments of the several provinces, and more particularly those provinces concerned with the growing of western grain, with the object of having necessary concurrent or enabling legislation passed by such provinces, to place beyond doubt, as far as is possible, the constitutionality of the said act or any of the provisions thereof."

W. F. KAY,
Chairman.

FINANCIAL CREDIT

Mr. THOMAS VIEN (Lotbinière) moved that the fourth report of the select standing committee on Banking and Commerce be concurred in.

Sir HENRY DRAYTON: Explain.

Mr. VIEN: The report reads as follows:

In obedience to the order of your honourable house, of the twenty-third day of March last, your committee have had under consideration the question of the basis, function and control of financial credit, and the relation of credit to commerce and industry, and beg leave to present the following as their fourth report:

Whereas commerce and industry suffer greatly by reason of periodic changes in the purchasing power of money and

Whereas it is generally recognized that the best results are likely to follow from co-operative action towards this end on the part of a number of nations;

Therefore be it resolved:

That this committee recommend to the House that the Canadian delegates to the League of Nations be instructed to bring this matter before the league, at the earliest opportunity, in order that the subject may be discussed and, if possible, such concerted action taken by the various nations within the league as shall be best calculated to bring about the desired end.

Mr. W. C. GOOD (Brant): I desire to draw the attention of the House to one phrase in the substantive part of this resolution which I think is rather unfortunate; and in that connection I am going to suggest a slight amendment which I believe will meet with the approval of the House. Hon. members will notice in the latter part of the resolution these words "by the various nations within the league." Now at the present time the United States is without the league. It is very desirable, indeed, I think hon. gentlemen will admit, that the United States should not be excluded from such a conference. There are also some other large and important nations which might be excluded if this phrase were allowed to stand as it is. I submitted the resolution to Professor Irving Fisher, who has taken a very great interest in this matter and is very well informed, and asked him to make any comments that he thought fit to make upon it. He wrote me, under date June 1, suggesting the replacing of these words "within the league" by the words "throughout the world." That would allow the inclusion of the United States or any other nation that might now be for one reason or other outside of the league. It seems to me this minor amendment would make the conference much more effective and ought to be concurred in by the House unanimously. I take it that the hon. member who moved concurrence would be quite agreeable to this change. At all events I recommend its acceptance.

Mr. VIEN: If I am quite in order, in making an explanation, I may state that this matter has been the subject of careful study by the Banking and Commerce committee for five or six days, and as a result of their deliberations the committee reported that our delegates to the League of Nations should first take this matter up with the various nations within the league, for the league, or the council of the league, to take whatever action they saw fit with reference to the other nations that are not within the league, if such action is deemed advisable. Therefore, that is the reason the committee reported that the best we could do at the present moment was to recommend that our delegates be instructed to bring this to the attention of the League of Nations.

Mr. GOOD: My hon. friend misunderstands the point which I brought to the attention of the House. I am not objecting at all to the action which he suggests. If my hon. friend will look at the latter part of the sentence he will see that it says:

]Mr. Vien.]

Such concerted action taken by the various nations within the league.

Now the proposition is to introduce the matter through the league, but this resolution as worded limits subsequent action to those nations now within the league. I think that is unfortunate. I think this particular point was not definitely considered at the meeting to which my hon. friend has referred. It is quite true that the matter was debated in a general way, but this particular amendment was not then considered.

Mr. SPEAKER: Order. Has the hon. member an amendment to move?

Mr. GOOD: I should like to move that the words "within the league" in the second last line be struck out and that the words "throughout the world" be substituted therefor.

Mr. SPEAKER: The amendment is out of order. The amendment, if there is any, should ask that instructions be given to the committee that the report be referred back. The amendment cannot be made in the House.

Mr. ROBB: May I suggest that if the resolution as presented to the House with the findings of the Banking and Commerce committee is not satisfactory to all members, we might refer the matter back for further consideration.

Sir HENRY DRAYTON: No, we could not.

Mr. GOOD: If my suggestion does not meet with the general approval of the House, I do not wish to press it. It seems to me that it should meet with unanimous approval.

Mr. SPEAKER: There is nothing before the House except the report and concurrence in the report.

Mr. MEIGHEN: I presume it is of importance to know that the report of the committee is satisfactory to the committee itself before we are asked to concur in it, but it is at least of equal importance to know that it is satisfactory to the government. Apparently if this motion is to carry—and I do not see any sign of demurring on the part of the administration—this government is to undertake to bring up a subject before the League of Nations and apparently the hon. member for Brant (Mr. Good) feels that in order to give it even additional force we ought to take steps to constitute a newer and larger League of Nations.

Mr. GOOD: No, no.

Mr. MEIGHEN: For the express purpose.

Mr. JACOBS: Does the right hon. member not think it would be sufficiently shelved if referred to the League of Nations as at present constituted, without dragging in the other nations?

Mr. MEIGHEN: I have no objection to the government either shelving this report or shelving themselves, but I do not like to be a party to the process of referring it back. If this motion had been seconded by the hon. member for Dorchester (Mr. Cannon), as appears to have been the original intention, I might have been content to let it go, assuming the government had considered the matter, but I notice he hastily and promptly withdrew all responsibility.

Mr. VIEN: My right hon. friend is not correct in that statement. Before the House opened I simply asked my hon. colleague, (Mr. Hammell) who is the seconder of the motion to second it, and I never asked the hon. member for Dorchester to second it, and therefore he did not do so.

Mr. MEIGHEN: His name was mentioned.

Mr. VIEN: No.

Mr. MEIGHEN: Without any enthusiasm on his part.

Mr. GRAHAM: An "honourable mention."

Mr. MEIGHEN: However, he will speak for himself on this as on other subjects. What really is the suggestion? It is that this parliament, on the mere motion on a report of a committee, is asked to be in the position of directing the government to bring the question of the control of credits, involving the curing of theoretic change in the purchasing power of money, before the League of Nations, and apparently the government is ready to accept the direction without ever having considered whether it is any cure, or whether it has the smallest suggestion to make to the League of Nations. I can think of little in the way of absurdity that could be more grotesque. What is parliament for? Are we here simply to be trifled with, in order that hon. members to my left may be appeased? If we have some plan, even though we are a small nation, I suppose it would not be altogether unworthy of us to lay it before the League of Nations; but here is something that has challenged the brains of humanity for all time. We are presumed to pitch it into the cauldron of the League of Nations without any idea whatever of what we want done or how to do it. And surely we, one of the smallest members of the assembly of that league, have gone far enough in the way of accepting motions of more or less trifling consequences without the consideration that parliament ought to give to these things. To my mind it reaches the acme of ridiculousness for parliament to accept a motion of this kind with no statement as to policy or no statement even that there has been consideration on the part of the government itself.

Mr. GOOD: May I ask my right hon. friend, is he not aware that this matter received some consideration at the Genoa conference held under the auspices of the League of Nations?

Mr. MEIGHEN: That may be. That is not the point I am arguing at all. Where is the government in the matter? What dc they intend to ask the league to do? I ask the Acting Minister of Finance (Mr. Robb), who I know has revelled in this subject for months and years, to give the House now the result of his deliberations.

Mr. ROBB: My thought at the moment is that my right hon. friend is casting serious reflection on the members of the Banking and Commerce committee who have been studying this question all winter.

Mr. MEIGHEN: I was directing my attention to the government, and I would like to get the result of their studies. My efforts still continue. Can I get any information?

Motion agreed to.

SUPPLEMENTARY ESTIMATES FOR 1925-26

A message from His Excellency the Governor General, transmitting supplementary estimates for the year ending March 31, 1926, was presented by Hon. J. A. Robb, (Acting Minister of Finance), read by Mr. Speaker to the House, and referred to the committee of Supply.

PRIVATE BILLS

FIRST READINGS

Bill No. 211 (from the Senate) for the relief of Maude Crawford Ross.—Mr. White.

Bill No. 212 (from the Senate) for the relief of Bertha Matilda Quinn.—Mr. Church.

Bill No. 213 (from the Senate) for the relief of William Garfield Reed.—Mr. Rankin.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS—MR. GASTON

Sir HENRY DRAYTON:

1. Has a Mr. Gaston of New York been engaged by the Canadian National Railways to make an accounting or valuation of the securities and properties of the company, and of its present position?
2. If not, has any other person or firm been engaged for such a purpose?
3. If so, who is the person or firm?
4. When was such appointment made and was it made with the authority of the government?
5. Upon what terms as to payment has such appointment been made?

Hon. Mr. GRAHAM:

Mr. Geo. A. Gaston, of New York, has been engaged by the board, with the approval of the Minister of Railways, to make an investigation of certain features of the Canadian National Railways along the lines referred to by the minister in his recent annual statement to parliament. The position is of a temporary nature, and Mr. Gaston will be paid on a per diem basis.

CANADIAN FISHING INDUSTRY

Mr. SPENCER:

1. What was the total revenue to the government from the fishing industry of Canada during each of the years 1923 and 1924?
2. What was the total expenditure to the government for same during each of these years?

Hon. Mr. CARDIN:

1. Total revenue to the Department of Marine and Fisheries during 1923-24, $180,989.59; 1924-25, $146,389.88.

2. Total expenditure by the Department of Marine and Fisheries during 1923-24, $1,430,085.98; 1924-25, $1,390,043.32.

NATIONAL FLAG FOR CANADA

*Mr. CHURCH:

1. Will the government lay on the table of the House the text of a copy of order in council appointing a committee to select a distinctive Canadian flag for use ashore?
2. Who is asking for such a Canadian flag and for such a change, and why?
3. Is the Union Jack not Canada's only official flag, and was it not the one used by the Canadian expeditionary forces overseas in France, and since Canada has been a British possession?
4. Will an opportunity be given to the House to discuss such an unnecessary innovation in view of Canada having no land army and no fleet whatever except the proposed Petersen fleet?
5. Is such a change of policy not for parliament to decide instead of the Governor General in Council?
6. Will any legislation be introduced as to such a proposed change this session?
7. Will the government also introduce legislation or rules to regulate the use of American and other foreign flags in Canada?

Right Hon. Mr. MACKENZIE KING: No committee has been appointed for the purpose of selecting a Canadian flag. A committee of public servants has been appointed to consider and report upon a suitable design for a Canadian national flag, but the government has taken no action of any kind towards committing either the government or parliament to the adoption of a national flag. I will read to the House the text of the order which it has been requested to have laid on the table:

Certified copy of a minute of a meeting of the committee of the Privy Council approved by His Excellency the Governor General on the 23rd April, 1925.

The committee of the Privy Council have had before them a report, dated 21st April, 1925, from the Minister of National Defence, stating that a distinctive Canadian flag has been authorized to be used by Canadian government-owned vessels and by other vessels of Canadian registry, and that there is throughout the country a desire that there should also be adopted for use ashore a distinctive flag which shall be recognized as the flag of the Dominion of Canada.

The minister, therefore, recommends that a committee be appointed to consider and report on the most suitable design that should be adopted for a Canadian national flag for use ashore, and that this committee be composed of the following:

G. J. Desbarats, Esq., C.M.G. Deputy Minister of National Defence, Chairman.

Thomas Mulvey, Esq., B.A., K.C., Under Secretary of State.

A. G. Doughty, Esq., C.M.G., LL.D. Dominion Archivist.

Commodore Walter Hose, C.B.E., A.D.C., Director of the Naval Service.

Major General H. A. Panet, C.B., C.M.G., D.S.O., Adjutant General.

Group Captain J. S. Scott, M.C., A.F.C., A.D.C., Acting Director of the Royal Canadian Air Force.

The committee concur in the foregoing recommendation and submit the same for approval.

Hon. members will see that all that has been done has been to refer to this committee of civil servants the question of considering a suitable design for a national flag. Representations have been made to the government from different quarters that there are throughout the country a considerable number of people as well as various organizations who feel that Canada, like Australia, South Africa and other of the self-governing dominions, should have ashore a distinctive Canadian flag as she already has on the high seas. The government has simply referred, and intends to refer to this committee, for purposes of study and report, the different suggestions that have been or may be made in that regard. I might mention, for example, that the Native Sons of Canada, an organization, I understand, having headquarters in British Columbia, has offered a prize for the best suggestion as to a suitable Canadian National flag. A short time ago, during the present session, I had a letter from the Right Hon. Mr. Fielding, Minister of Finance, expressing very strongly the view that Canada should have a flag of her own and accompanying the letter was a flag which Mr. Fielding

himself had designed and which he said he would like to have considered when any discussion with respect to the possibility of a Canadian national flag might come up. I think I need only mention Right Hon. Mr. Fielding's name in this connection to indicate clearly that those who have views with respect to a Canadian national flag along lines similar to those adopted by other of the self-governing dominions are not to be assumed as in any way wanting in sympathy with, or loyalty to the Mother Country in the matter of the flag.

Let me make it quite clear that this committee is simply a committee to study and report. The government has no intention of taking any action in this matter without taking parliament fully into its confidence. Any report that is made will be submitted to parliament at a time when this matter may come up for discussion. There is, I think, on the order paper at the present time a resolution in the name of an hon. member suggesting that the House should consider this matter. It may be of advantage to the House to have before it, when a motion of this kind is being debated, the different suggestions that may have been made, and something in the nature of a report on the part of a representative committee such as the one here referred to. That is the sole and only object of the order I have read to the House. I do not hesitate to say that the government would not for a moment consider adopting a national flag other than by resolution of this House and the full sanction of the parliament of Canada. But surely that question can be referred to in a calm manner as one worthy of consideration, without it being assumed, as some of the questions which the hon. member has put to the government in his list of questions would suggest, that there are ulterior motives with respect to any consideration of the question. Speaking for myself, may I say that while I am able to sympathize with the point of view which would have for Canada a distinctive national flag, just as Australia, South Africa and other of the self-governing British dominions have their national flags, I would be proud and happy to have Canada continue in the future as in the past to have the Union Jack recognized as the national flag, moreover, I would not lend my support to any proposal which did not include the Union Jack as the most distinctive feature of any national flag that at any time it might be proposed to adopt.

THE LIEUTENANT GOVERNOR OF ONTARIO

Mr. CHURCH:

1. Is the government aware that His Honour the Lieutenant-Governor of the province of Ontario has been elected as a director of the Canadian Pacific Railway?
2. Is it the policy of the government to allow the direct representative of the crown to accept such a directorship?
3. What action will the government take in the matter?

Right Hon. Mr. MACKENZIE KING: I may answer this question by saying that the government has no official information, so far as No. 1 is concerned. As regards Nos. 2 and 3, the government has not yet had an opportunity to give the matter consideration.

HOME BANK DEPOSITORS

Mr. CHURCH moved:

For a return showing the names of depositors of the Home Bank of Canada for sums of $10,000 or over who will benefit by legislation now being considered for the relief of depositors of said bank.

Mr. ROBB: I want to make it clear to my hon. friend and to the House that it will take some time to get this information and I cannot promise it this session.

Mr. CHURCH: I hope the government will let this pass, as I believe they will. The country is entitled to know how this five and a half millions is being distributed. The liquidator, Mr. E. R. C. Clarkson, has now such a report prepared and the copy can be had at once. All I ask is for those over $10,000. Home Bank officials tell me there has been little or no speculation by or on behalf of these small depositors as to securing payment of their claims.

Motion agreed to.

RURAL CREDITS

FEDERAL ASSISTANCE TO AGRICULTURE—LONG TERM LOANS TO FARMERS

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

That it is expedient to introduce a measure to provide:

(a) that the Governor in Council may authorize advances to any one or more of the provincial governments for the purpose of assisting agriculture by enabling the provinces to make long term loans to farmers;

(b) that such advances shall be secured by the issue and delivery to the Dominion of bonds of the provinces;

(c) that the aggregate of advances to be made by the Dominion shall not exceed ten million dollars ($10,000,000).

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recom-

mends it to the favourable consideration of the House.

Motion agreed to.

GOVERNMENT OFFICES IN TORONTO

On the Orders of the Day:

Sir HENRY DRAYTON (West York): Can the Minister of Railways (Mr. Graham) now give the information I have asked for before in regard to the building at the corner of King and Yonge streets in Toronto? The moving seems to be going on and a considerable cost has already been incurred in this matter by the railway system.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): There is no change in the situation. Any bargain in this transaction must be only tentative until the Canadian National Railway board presents to the Minister of Railways a resolution which is approved by the Governor in Council. I have asked for that resolution during the past week but I have not got it yet.

Sir HENRY DRAYTON: It will be rather late when it is submitted.

Mr. GRAHAM: I should like to give it to the House, because if the Governor in Council approves of it the bargain will be a good one.

Sir HENRY DRAYTON: Possibly, but not likely.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I asked the minister last week to expedite this matter and he expressed the hope that he would be able to do so. This is now Wednesday and we are near the end of the session, and it certainly will not look well, to say the least, to have the thing concealed until it is too late.

Mr. GRAHAM: There is no concealment.

Mr. MEIGHEN: It is strange that the company is taking action already on a matter in respect of which they have no right to proceed without the approval of the government. Has the company not obtained the approval of the government?

Mr. GRAHAM: No.

Mr. MEIGHEN: Well, it is to me a strange proceeding in a matter of such great consequence, involving large sums and considerable property.

Mr. GRAHAM: It is a sale of property, not a purchase.

Mr. MEIGHEN: It is a sale of property and the government is supplying the money to buy that property.

[Mr. Robb.]

Mr. GRAHAM: Not at all. The bargain which has been tentatively made by the board of the Canadian National Railways must be approved by the Governor in Council, and so far as I have heard, the transaction I believe will be a satisfactory one. I am not in a position to give any information to the House until the transaction is completed, and in that I am only following the rule observed by my right hon. friend when he was in power. I am doing my utmost to get the resolution but I have not yet received it.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. JOHN EVANS (Saskatoon): I desire to bring to the attention of the government the following telegram I have received:

At a mass meeting of over 1,300 Saskatoon citizens the following resolution was unanimously passed: Resolved that this mass meeting of citizens denounce the actions of the federal government in sending troops into the Nova Scotia mine area and—

Mr. SPEAKER: Order.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In reference to so much of the telegram as the hon. member has read, it should be made clear that the federal government has not sent any troops into Cape Breton. The troops are there not in virtue of any action on the part of this government but in pursuance of the provisions of a statute of parliament which authorizes the Attorney General of the province concerned to take such steps as he may deem necessary to preserve law and order.

Mr. EVANS: In the face of the deplorable conditions down there and the seeming impotence of the Nova Scotia government in the circumstances, will this government take matters in hand?

Mr. MACKENZIE KING: I think the House knows that the Minister of Labour (Mr. Murdock) is at present in Sydney and is working in conjunction with the Minister of Mines of the province of Nova Scotia. He is hopeful that the mediation in which they are both participators will be beneficial. The Minister of Labour has already had conferences with committees of those who are on strike as well as with representatives of the company, and such information as I have had from him thus far would indicate that while there are many difficult problems to be solved he is not without hope that the mediation will bring an end to the trouble.

ST. JOHN, N.B.—TRIPARTITE AGREEMENT

On the Orders of the Day:

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I wish to call the attention of the government to question No. 8 standing in my name on to-day's order paper with reference to the Tripartite agreement, so called, between the Dominion of Canada, the Canadian Pacific Railway and the city of St. John, New Brunswick. This question has been on the order paper since June 8 and as the session, no doubt, will soon come to an end I should like to know whether the answer will be given at an early date.

Hon. J. H. KING (Kootenay, Minister of Public Works): Probably I could answer the question now.

Mr. SPEAKER: By leave of the House.

Mr. MacLAREN: My I have the answer in the ordinary form?

Mr. KING (Kootenay): Very well. I will answer the question to-morrow.

MARINE INSURANCE RATES

Mr. MURRAY MacLAREN (St. John City and Counties of St. John and Albert): I should like to have an answer to a question I put a few days ago regarding marine insurance rates. I think the Minister of Railways (Mr. Graham) stated that he would ascertain whether a second report had been received from the Imperial Shipping committee and would inform the House accordingly.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I was under the impression that I had among my papers to-day a cable from the High Commissioner in London in answer to the query sent him immediately after my hon. friend had asked his question. Mr. Larkin has replied that he expects that the report will be signed this week. There had been some difference with respect to the wording of one clause on which I understand all parties are now substantially agreed. The report will be signed any day this week, and I will promise my hon. friend to lay a copy on the table as soon as it comes. We have at Ottawa the draft report referred to in the cables which have passed.

OCEAN SHIPPING RATES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN: Mr. Speaker, I want to ask the government if this session is to close without any action being taken or recommended to parliament in respect of what is called, in the Speech from the Throne, "transportation by sea"? We have had a report from what should be known as the Petersen committee, but it has lain dormant for some time. Does the government propose to introduce any legislation or ask for any authority from parliament arising from that report, or is the session to end with nothing done?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the circumstances under which the government has thought it inadvisable to proceed with the discussion of the report of the committee must, I think, be in the minds of all present. In view of the sudden death of Sir William Petersen, we have not thought that it would be fitting to bring into this House at this time the discussion of his name in matters relating to his projects. The government, however, intends to consider very carefully the recommendations contained in the report for such action as under the circumstances may be deemed best. I do not think that it would be advisable to contemplate immediate legislation, but I might say speaking generally that the government looks favourably upon the recommendations contained in the report.

Mr. MEIGHEN: My only comment is that the death of Sir William Petersen is of course deplorable, and his family and all his friends have our sympathy; but this fact has nothing to do with government policy, and indeed does not affect the validity of the contract in the least; nor was his own evidence to the effect that his death would render the contract inoperative. This appears to be only an excuse to defer action.

Mr. MACKENZIE KING: I think I may point out to my right hon. friend that there is no completed contract. The committee's report in reference to the agreement that was referred to it for consideration was that it would be inadvisable to pronounce finally upon it for the period of at least another year, or rather until further information could be obtained for submission to parliament. The committee was apparently unable to get the information that it thought necessary to deal definitely with ocean rates.

Mr. MEIGHEN: In other words, it is dead.

VANCOUVER OLD POST OFFICE

On the Orders of the Day:

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I wish to call the attention of the government, and particularly of the Minister

of Public Works (Mr. King), to what is apparently an official announcement in the Vancouver Province of June 4, reading as follows:

Hon. Dr. J. H. King, Minister of Public Works, announces that in purchasing the Winch building in Vancouver it is the intention of the government to form a federal area within the boundaries of the city block on which the post office stands. All government offices now housed elsewhere in Vancouver will be moved to the Winch building.

This is the part of the despatch to which I wish to direct particular attention:

Funds obtained from the sale of the old post office building at Granville and Pender streets will be applied on the purchase of the Winch building.

Since April 30, four questions have been standing in my name on the order paper with reference to the sale of this old post office building. I cannot conceive why the government is refusing to answer these questions. The information requested is in the public interest. Has the government in the meantime made a secret sale of this property?

Hon. J. H. KING (Kootenay, Minister of Public Works): Mr. Speaker, as I stated to the House some days ago, negotiations were in progress at the time for the purchase of this property for government purposes, and it did not seem proper to answer the questions. Since then the negotiations have been concluded, and I will bring down to-morrow the answers to the hon. member's questions.

MANITOBA FLOODS

On the Orders of the Day:

Mr. ARTHUR L. BEAUBIEN (Provencher): Mr. Speaker, have the government any information as to the serious floods that have taken place in Manitoba through the White Mouth river and the Birch river overflowing their banks? If so, are they taking any action to help those affected? I understand there is a whole township flooded.

Hon. J. H. KING (Minister of Public Works): Reports have been received of flood conditions in Manitoba, and provision is being made in the supplementary estimates to take care of some of the damage.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I have been urged by telegram to bring to the attention of the government the serious state of affairs at Delta, due to the same cause. I hope the government has the matter before it for attention.

Mr. KING (Kootenay): Provision is being made in the supplementary estimates to look after this.

[Mr. George Black.]

EXPORT OF POWER

On the Orders of the Day:

Sir HENRY DRAYTON (West York): Mr. Speaker, I desire to ask my hon. friend the Minister of Trade and Commerce (Mr. Low) what is the reason for the continued delay in bringing down the appropriate order in council in ease of the municipalities from the export tax on electricity?

Hon. T. A. LOW (Minister of Trade and Commerce): I am sorry to have to inform my hon. friend that the matter is still under consideration. It will be dealt with in due course.

Sir HENRY DRAYTON: "Due course" is a pretty slow course.

ROOT VEGETABLES ACT AMENDMENT

On the Orders of the Day:

Mr. GROTE STIRLING (Yale): Mr. Speaker, may I ask the Minister of Agriculture (Mr. Motherwell) whether it is his intention to proceed with the bill to amend the Root Vegetables Act?

Hon. W. R. MOTHERWELL (Minister of Agriculture): I do not think that the bill will be proceeded with this session.

Mr. STIRLING: Is the minister ready to give his reasons for withdrawing it?

RAILWAY FREIGHT RATES

BILL TO AMEND THE RAILWAY ACT, 1919

The House resumed from June 16 consideration in committee of Bill No. 181, to amend the Railway Act 1919.—Hon. Mr. Graham.—Mr. Gordon in the chair.

On section 1—Powers of board continued.

Hon. E. J. McMURRAY (North Winnipeg): Mr. Chairman, this bill is of far-reaching importance to Canada as a whole, and to western Canada in particular. It proposes, if not completely to wipe out, at least to so completely change as to be hardly recognizable the statute that has stood for the protection of western Canada in the field of transportation for some twenty-seven years. To fully appreciate what this change means to the people of western Canada, a brief review of the circumstances leading to the passing of the statute incorporating the Crows-nest pass agreement is necessary.

In 1897 the Liberal government, in granting a subsidy of some three million dollars to the Canadian Pacific Railway, provided that certain maximum rates should apply to grain moving eastward and to certain stated commodities moving westward. No doubt the

policy of the government was dictated by the conditions prevailing at that time in western Canada, particularly in connection with the railroads. We must remember that at that time there was no Board of Railway Commissioners, and that this agreement was made for the purpose of protecting the people of western Canada against the discrimination that might exist by reason of water competition in eastern Canada. That competition still prevails to-day; we are in identically the same position we were in at that time. Undoubtedly the policy of the government of that day was dictated by the necessity that then existed of giving to the people of western Canada a fair and even opportunity with the other portions of Canada that lay nearer to water transportation. We will remember that the western portion of Canada was at that time being newly opened up. A vigorous and active immigration policy has been inaugurated in the Department of Immigration by Sir Clifford Sifton, and there is no doubt that in working out that policy for the development of that country it was the policy of the government of that day to grant this protection to the people who were coming into that territory.

That contract has stood deliberately unchallenged until just last year. It is true, it was set aside for a brief period as a war measure. But the Liberal government that existed up to 1911 continued that policy of giving the protection of the Crowsnest agreement; that policy was continued by the succeeding Conservative government, and the present government in office here to-day has continued that policy. In 1922, after a committee composed of the different parties in this House had sat upon it, a bill was brought down bringing in the rate exactly as we have it to-day on grain and flour. That undoubtedly was the intention of the government at that time, because it was not then in the mind of any person, it was not in the mind of any party in this House, or even in the mind of the railways themselves that the decision that was handed down by the Supreme court a short time ago would prevail. It never was questioned, so far as I know, that these rates should not apply over the entire system of the Canadian Pacific Railway. We had that in mind when this House passed the bill in 1922. The government, and the House, and the country as a whole, understood that those reductions would apply over the entire railway system of Canada. Furthermore, last year the government allowed the agreement automatically to come into force, as provided by the statutes of 1918. That then was the policy of this government. The policy of this government no later than last year was to put into force the entire contract exactly as it stood in 1897. There is no question about that at all. This government understood, this House and the country understood, on July 6th of last year, when this act automatically came back into force, that the Crowsnest agreement came into force over every bit of Canadian Pacific mileage in this country.

Mr. GRAHAM: West of Fort William.

Mr. McMURRAY: Over every bit of railway mileage as provided in the contract of 1897. This government accepted that on the 6th of July of last year. It accepted as its policy that the Crowsnest agreement would prevail, as they understood it to prevail, without discrimination over the whole of Canada. It was not in the mind of a single member of the government or a single member of the House that anything else but the Crowsnest agreement was coming into force, and that without the discrimination that was afterwards made out by the Board of Railway Commissioners, and confirmed later on by the Supreme court. That was the intention of the government last year. Members of the government last year toured western Canada; the Prime Minister himself came out to western Canada, and he did not deny on a single occasion but that we were following out the railroad policy laid down by the Laurier government and he never left a single intimation in western Canada but that the Crowsnest agreement of 1897 was in full force and effect I am sure that it must have come as a shock to him, as it did to me and the rest of us there, that the Board of Railway Commissioners would set aside, or that they even intended to set aside, at one fell swoop the act of this parliament.

4 p.m.

The Board of Railway Commissioners appear to have acted with wonderful celerity upon that occasion. Speaking moderately, and without any trace of feeling whatever, it does seem to me that the Board of Railway Commissioners proceeded with undue activity in setting aside a contract which had stood as the Magna Charta of western Canada in its transportation difficulties for some twenty-seven years. In setting that contract aside on a fifteen-days' notice, without waiting to go to the Supreme court to see if they were sound upon the matter at all it seems to me they acted with undue and indecent haste. It would have been meet and proper under the circumstances to have waited until they had the law from the Supreme court.

It was, if I might say so, hurrying the culprit to execution almost without the benefit of the judicial clergy.

But we can go further. On the 24th day of December of last year an order in council was passed by this government, with the full knowledge before them of the Supreme court's decision, again reinstating the Crowsnest policy and conpact of 1897, in these words:

> Your committee is of the opinion, however, that Your Excellency in Council has power to grant a stay of proceedings or postpone the operation of the order of the board complained of, pending the outcome of the appeal to the Supreme Court of Canada above referred to, and to direct that the said order of the board be varied by providing that the tariffs therein referred to shall again become operative and remain in effect until further order of the board following the decision of the Supreme Court upon the said appeal.

So that for a period of twenty-seven years until practically the present moment, the Crowsnest compact has been the policy of the Liberal party, and incidentally I might add of the Conservative party in the past, too, and it never was set aside at any time except as a war measure.

Now what has occurred in the interval, Mr. Chairman, to change the mind of the government upon this matter? Apparently they were running true to form on the policy of giving equal justice to the people of the central provinces who were far removed from water. What has caused their change of mind? I can conceive of only one thing which the government can advance as a reason, and that is the fact that the Supreme court has found that there is discrimination throughout Canada, that the Board of Railway Commissioners would have the right to set up the discrimination that now exists in western Canada, and to approve of the discrimination that now exists in eastern Canada, and in order to meet an awkward situation the government has decided upon a sort of compromise. Are the government justified in doing that? We must remember what the government's opinions were prior to the decision of the Supreme court. Now, the government have the power, this House has the power, to override that decision and to put into legislation that which the government approved of up until the 24th of December last year. Is western Canada really and properly entitled to some form of guaranteed rate? There can be no argument as to that. Any Board of Railway Commissioners would find themselves placed in such a situation, as a result of the course proposed to be taken, that they would have to put an additional and heavy burden upon the shippers of western Canada. They are bound by the conditions of water transportation in eastern Canada. In eastern Canada the rates cannot be raised by reason of that fact. The railroads must have a certain amount of freight rates to keep their lines in operation. That is an undoubted fact. Talk about the equalization of freight rates! There cannot be such a thing in this country as equalization of freight rates as long as water competition exists in eastern Canada, and western Canada must for many years to come pay a higher freight rate than eastern Canada. We must pay it because the money must be raised. The mountain scale applicable to British Columbia is so high already that it cannot be raised any higher. The conditions of competition in eastern Canada are such that the rates cannot be increased there either. Western Canada, that great reservoir producing the largest proportion of freight in this country, must for many years to come bear a higher burden of freight rates than eastern Canada. We are agreed as to that. In what position then must the Board of Railway Commissioners find themselves? They find themselves in this position, that without a maximum protection in western Canada they are compelled to raise the rates there to meet the necessities of the freight rates question. Without that maximum western Canada would be in the position of a man playing poker with all the cards stacked against him and the other side asking for the sky as the limit.

Mr. STEWART (Leeds): Is it a fact that at the present time the western lines are not paying, and that the central regions are paying?

Mr. McMURRAY: No, I do not think that could be so.

Mr. STEWART (Leeds): It is so reported in the papers.

Mr. McMURRAY: There are a great many reports available but they must be read together and studied very carefully in order to grasp the exact meaning of the freight rates question. And I may say that the study of railway rates is more complex and difficult than a Greek grammar.

Sir HENRY DRAYTON: My hon. friend has already established that he does not understand the question.

Mr. McMURRAY: I do not pretend to understand it thoroughly, but I do claim to have a grasp of some of the salient features so far as the removal of this charter from western Canada is concerned. It is impossible for us in the west to recognize that re-

moval in any shape or form. The government have not gone that far, but under what they propose the Crowsnest pass agreement of 1897 cannot continue. So far as commodities moving from the west to the east are concerned, that agreement is practically nullified. The hon. member for West Calgary (Mr. Shaw) suggested a suspension. There is little to be gained by that.

Mr. GRAHAM: My hon. friend said "from the west to the east." He meant "from the east to the west."

Mr. McMURRAY: Yes, I meant that as regards the movement of commodities from the east to the west it is practically nullified under this legislation. The situation reminds me of the Irishman who during a fire in his house put on his trousers the wrong way to, and falling downstairs, when they picked him up and asked him if he was hurt he said, looking at himself, "I am terribly twisted." The Crowsnest pass agreement as a result of the government's action, seems to be terribly twisted, and I do not think we shall ever be able to get the westbound rates into proper form again. It is not for me to suggest to the government exactly what should be done. They have defined their policy in the order in council of June 5, 1925. In that document I read the following:

> The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great grain-growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present enforced under the Crowsnest pass agreement, should not be exceeded.

That defines the philosophy of the government, but they have not made any declaration whether they believe they are bound by any contract of the past solemnly made between Canada and the Canadian Pacific Railway on behalf of the people of the prairies. The whole of the people of western Canada, without one dissenting voice, are of opinion that the government should adhere to the policy embodied in the Crowsnest pass agreement instead of embarking on a policy such as that set out in the order in council from which I have just quoted. If the latter is the policy of the government it is not satisfactory to me. As a quid pro quo it does not go far enough. This legislation has had the effect of demonstrating one thing—that the prairies are tied to eastern Canada so far as freight rates and the transportation of grain are concerned. You cannot get away from that at all. If the policy of the government is to assist in the production and export of grain and flour as one of the chief assets of Canada and the development of the great grain-growing districts of the west, why not give these districts the opportunity of getting down to the nearest tidewater, why not give them the opportunity of reaching a port which is open all the year round? Possibly in my province, possibly in my own city, a narrow parochial attitude may be adopted by some; but any true Canadian will express himself in national terms and not in a narrow way representative merely of the sentiment in cities or provinces. If the philosophy of the government is such as they have intimated, I do not understand why they do not afford the producers of the west an opportunity to reach an all-the-year-round port.

My hon. friend from Burrard (Mr. Clark) spoke last night on this question, and while I did not agree with his law altogether, much less with the application of it to the present situation, I did agree with him when he stated that the very meaning of this proposition was discrimination against Vancouver and British Columbia in favour of New York, Buffalo and eastern ports. There is no doubt of that at all. Then how are we helped by the bill which is before the House? It is contended by some—and I think by some fairly good lawyers at that—that under the bill as drafted the grain rates on grain moving out to Vancouver must be lowered, because there cannot be discrimination in the rates provided herein. I cannot view it that way. The Supreme court has distinctly stated in its latest decision—and stated in very accurate and I might say succinct language, leaving no doubt as to what their opinion is—that the Board of Railway Commissioners are not obliged to prevent discrimination between rates provided under the special act and ordinary rates. Here is what they say:

> When such maxima—

Referring to the Crowsnest Pass Act of 1897, the Manitoba Act of 1903 and the act of 1908

> When such maxima are fixed by special act they must be regarded as exceptional, intentionally exempted by parliament from its general policy against discrimination.

That was terse and brief and absolutely understandable, that where the special rates are made they are made by parliament for special circumstances, and the Board of Railway Commissioners are not bound to take them into consideration when fixing other rates. That being the case, what would be the position so far as rates are concerned in

connection with grain passing from Edmonton down to Vancouver and from Calgary westward? I think if my hon. friend (Mr. Clark) had studied this aspect of the bill before speaking last night, he would have obtained a sufficient amount of data and information for his argument, without going into the question of the decision of the Board of Railway Commissioners or the decision of the Supreme court. With reference to that part of the Crowsnest pass contract that is left to the people of western Canada, we find this:

Provided that notwithstanding anything in this subsection contained the rates on grain and flour shall, on and from the date of the passing of this act, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897.

That brings in a portion of the Canadian Pacific Railway.

But it shall apply to all territory west of Fort William covered by the tariffs filed under the said agreement.

That was on the lines of railway then built.

Or all lines of railway hereinafter constructed by any company subject to the jurisdiction of parliament within such territory.

That confines us to the lines of railway in the western provinces. Then we go to the next clause dealing with questions of discrimination, and this is what it says:

The board shall not excuse any charge of unjust discrimination whether practised against shippers, consignees or localities, or of undue or unreasonable preference respecting rates on grain and flour governed by the provisions of chapter five of the statutes of Canada, 1897, and by the agreement made or entered into pursuant thereto within the territory set forth in the last preceding section.

There shall be no discrimination so far as the western lines on the prairies are concerned. The real translation of that is that discrimination is possible between rates down to the coast and the rates provided in this agreement. Under that the proper provision will be a comparison of what the grain rates in western Canada normally are, and then in addition to that the mountain scale be added.

Then comes another question which will receive consideration. We have running down from Edmonton to Vancouver the Canadian National line, a line of low and easy grades, and competing with that we have the Canadian Pacific railway running through Calgary. The cost of operation on the one is very high, and the cost of operation on the other is very low. The rates from Edmonton to the coast on the low grade line will be no higher than the rates on the prairie, but the rates that will require to be set are the rates on the Canadian Pacific Railway where the cost of operation is high.

[Mr. McMurray.]

An hon. MEMBER: The Canadian Pacific would then become the beneficiary.

Mr. McMURRAY: They would undoubtedly become the beneficiary according to my argument, in regard to the rates on these roads running down to the coast. The cost on the Canadian Pacific would be taken as the real standard as to what the cost of operation should be.

I think the standard should be fixed by open competition, and that we should not take the cost of the more expensively constructed and more expensively operated road, and the people of Alberta and western Saskatchewan are either to be forced to pay an added price to carry their product to the coast, or compelled to pay the extra rate to eastern Canada, much of the grain of the west will be forced unnaturally into eastern points. As I said before, it is not for me to work out what the quid pro quo shall be, but in the name of western Canada I protest against this bill, and against the removal of the protection, and I say that if that protection which has been given to them be removed they should be given a proper quid pro quo, and I maintain that what we have here so far as grain and flour is concerned is only what this parliament thought was existing so far as freight rates were concerned, every year up until the decision was given by the Supreme court. Under this bill we are simply giving away a portion of what it was the will of this government to grant to us all along. I make this suggestion to the government and to parliament: that to-day there exists, by reason of the conduct of the Board of Railway Commissioners —though the knowledge of law of the majority of the commissioners was apparently exceedingly elementary—a discrimination, because they assume to set aside, to the astonishment of everybody, the Crowsnest pass agreement, but their finding was disposed of without a moment's hesitation by the decision of the Supreme court. If anything was required to strengthen the unsatisfactory opinion held by the people of this country largely, and by the people of western Canada more particularly, concerning the Board of Railway Commissioners, it was this action of the board in this matter. It is desirable that the west and all portions of Canada should maintain the greatest respect for that body. It was too bad that at a time when the government was dealing with a matter that is exceedingly critical and difficult, hasty action such as that should have lost the confidence of the people of Canada in that board. I do not use my words lightly. I have considered the statements I am making concerning them. That

being the case, some change and alteration should be made in the personnel of that board. Western Canada, by reason of its great contribution to freight rates and its vast railroad mileage, should be more strongly represented upon that board, and I suggested some time ago to my good friend the Minister of Railways and Canals (Mr. Graham) that the Board of Railway Commissioners should have another member from western Canada. We are entitled to that and it is in the interest of the whole country. If that were done, it would inspire more confidence in that board on the part of a large section of the people of Canada. While I am on that matter, I think there should be upon the Board of the Canadian National Railways another representative from western Canada or better still, one from each of the western provinces. I think also, although this is not altogether apropos of the matter, the Supreme Court of Canada, which now has an even number, six judges, an unsatisfactory number in any court where there may be an even division of opinion, should be increased to seven judges, and that western Canada, by reason of its population, area and importance, should have another representative in that court. These things are essential for the continuing of the confidence of the people of western Canada in our various institutions. By the proper division of responsibility, great gain in that regard can be made.

The government in the same order in council utters some pious hopes in connection with what the Board of Railway Commissioners should do with respect to freight rates in Canada:

> The committee therefore advise that the board be directed to make a thorough investigation of the rate structures of railways and railway companies subject to the jurisdiction of parliament with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic.

And the government draws the attention of the board particularly to the claim asserted on behalf of the Maritime provinces, and mentions:

> The encouragement of the movement of traffic through Canadian ports;
> The increased traffic westward and eastward.

That suggestion to the Board of Railway Commissioners would have just about the same effect as the piously expressed wishes of a revivalist to a bunch of back-seat sinners at an old-fashioned revival meeting. The effect might last on them until they got down on the road, but before they got home, they might be swiping some of their neighbour's apples. This may be good politics; it may appeal to different sections of Canada, but as an actual settlement of the problem it is of no use at all. Maximum rates must be maintained as a protection, not only to the people of western Canada, but to the Board of Railway Commissioners themselves. Without that maximum, the railways must raise the amount of revenue in the west. They cannot raise it in the east because of water competition. They cannot raise it in the far west because of the high mountain scale. Therefore, the only protection that we have and that the board has is the proper maintenance of some form of maximum rates in western Canada.

Mr. SUTHERLAND: Surely the hon. member is not serious in making that statement.

Mr. McMURRAY: I was never more serious in my life.

Mr. SUTHERLAND: The return tabled in the House by the minister at the present session shows absolutely the contrary of what the hon. member is arguing. There was a deficit between earnings and operating expenses in the Atlantic region and also in the western region. The only place where there was a surplus of earnings over operating expenses was in the central region, Ontario and Quebec, and on the Canadian National lines in the United States.

Mr. McMURRAY: The hon. member has made a statement. What is his question?

Mr. SUTHERLAND: The hon. member stated that these rates would have to be collected in the west. I am pointing out that there is a surplus of $17,000,000 of earnings over operating expenses in the central region and a deficit of $5,000,000 in the western region and in the eastern Atlantic region.

Mr. McMURRAY: The hon. member's figures are very interesting, but apparently they are inapplicable to the point that I was arguing. I am not arguing where the rates are collected from. Undoubtedly water competition must come in, and if that water competition exists you cannot raise rates any further in eastern Canada.

Mr. SUTHERLAND: Why is it then that there is a very large surplus of earnings over operating expenses in the central region?

Mr. McMURRAY: Likely because the rate has not got up to water competition, but the minute it goes up to water competition it cannot go any higher. The conten-

tion of the railroads is that they have not sufficient revenue. You may be raising more money in Ontario from the railroads than you are in the west, but that has nothing to do with my argument. My hon. friend has missed the point I am making. I say that in eastern Canada you can go only so far in raising railway rates and you will stick there. In British Columbia you cannot go any higher without stifling production in that province. Railway rates can go to a certain height and then they cannot go any higher. The revenues must be raised. Western Canada is the only place where the whip can be laid and, therefore, we must protect that section of the country. If that is the government's policy of building up a great grain producing section of western Canada, following the language used by commissioner Oliver, I would point out to the government that it is possibly defeating itself in holding railway rates too high. I put a resolution on the order paper stating that the only solution of our railroad problem in Canada, so far as the Canadian National Railways are concerned, is to people the vacant lands along those roads, to people the western prairies and northern Ontario with good, industrious, hard-working people. I am thorcughly convinced of that and I have argued it several times in this House during the last few years. We should have a genuine colonization scheme that will take care of the people from the British Isles, from our cities, from the United States and, above all, from those European countries where they are naturally agriculturists. The hon. member for Fort William and Rainy River (Mr. Manion) has sounded that note three or four times during this session. A vast hinterland in northern Ontario lies adjacent to those roads. That portion of it that is cultivated grows grain crops, and particularly hay, vegetables and so on, and it is capable of supporting the hardy people of central Europe and the people of Quebec who are naturally pioneers. In that way alone, I believe, these roads can be made to pay. Nothing will be gained by switching money from the Canadian Pacific Railway into the coffers of the Canadian National or vice versa. That sort of thing is only chasing rainbows, and you will never get anywhere in that way.

Mr. MACLEAN (York): Would railway consolidation improve the situation?

Mr. McMURRAY: I do not know. I know that the Union government did not do much good and I entertain grave doubts as to whether a union of the railways would be satisfactory. I could not answer that question offhand; it is altogether too large to discuss at the moment. But I do object to this legislation. It seems to me to be a patchwork attempt at compromise and it will meet with nothing but protest from the people of the west. It is not fair to British Columbia, and being unfair to that province it must in consequence be unfair to a large section of the western prairies. Why could not the western section of Canada have been taken into consultation and a quid pro quo worked out along lines satisfactory to everyone? This present legislation is not satisfactory, and I make the statement fully appreciating the difficult position in which the minister finds himself. Indeed, no one appreciates more than I do the difficulties of the Minister of Railways; I doubt if any man has ever held that portfolio in Canada under similar conditions and with problems so serious to solve. I do believe however that the only solution for our railway problems is to have more industrious people living in the country, people of simple habits, people of real thrift, who will settle along the lines of railway, producing those commodities which the world requires.

Mr. CAMPBELL: I have a good deal of sympathy with the government in its attempt to solve the intricate and complicated problem of freight rates. The Speech from the Throne at the beginning of the session intimated that we were to have an adjustment of freight rates which would equalize rates between provinces. I maintain that this is exactly what the present bill does not propose to do, although I notice that in the order in council the same intimation was made. This bill does not propose to equalize freight rates as between provinces, and personally that is my sole reason for opposing it. We in the west have been compelled all through the history of the prairie provinces to pay very much higher rates than are collected in eastern Canada, and an equalization between all the provinces would certainly be in our interests, and it would appear to be just and right in the interests of Canada as a whole. It apparently is assumed in eastern Canada, judging by the expressions of opinion that appear in the press and which one hears privately, that the west has some particular boon conferred upon it by the Crowsnest rates. The commodity rates referred to from eastern to western Canada are however still higher than the rates for similar commodities and equal distances in effect in eastern Canada. Why therefore should it be considered that the Crowsnest rates are a boon to that part of the country? In the first place, the Crowsnest

rates were not regular rates; they were not rates that were put into effect, but were simply maximum rates. And in the agreement made between the Canadian Pacific Railway and the Dominion government at that time, statutory maximum rates were fixed above which the regular rates could not at any time go. These rates, for a long period of years, from 1898 to 1918, were still higher than the regular rates charged by the railways, so that in all that period we got no benefit whatever from the Crowsnest agreement; and so soon as we might have received some benefit from it, so soon as the scale of railway rates began to rise in the country, as it did during the war, the Crowsnest pass rates were set aside for a period of three years. The rates on grain and flour were permitted to come into effect again on July 6, 1922, and from that period on we have received some definite benefit. But that is the first time in all the history of the west that we have derived any advantage whatever from the Crowsnest pass rates. The commodity rates from eastern Canada to the prairies became effective on July 7, 1924, and we received some benefit from these rates up to October 29 of the same year, a period of only three months; for after that date these rates were set aside by order of the railway commission. The government over-ruled that order however, to make the rates effective on December 25 last and since that time these rates have been in force and we have been receiving some benefit. But the point I want to make is that in all the twenty-eight years that the Crowsnest rates have been in effect we have benefited only during a few months. The hon. member (Mr. McCrea) speaking last night made the statement that on July 6, 1922 we received reductions amounting to about thirty-five per cent in some of our freight schedules while in eastern Canada they received reductions amounting to only six per cent. But the hon. member did not tell the House that this was only a partial removal of the discrimination which for many years had existed against western Canada. The hon. gentleman went on to quote a few figures and attempted to prove that almost all the taxes were paid by the two central provinces. In that connection he submitted some very interesting figures. For instance, he pointed out that Prince Edward Island contributed only 26½ cents per head of the revenues of the Dominion while Quebec contributed $52.24 and Ontario $52.21. On the other hand, he stated, Manitoba contributed $27, Saskatchewan only $3.76 and Alberta only $8.67.

Mr. DICKIE: What about British Columbia?

Mr. CAMPBELL: I have not the figures of that province.

Mr. DICKIE: Its contribution is $45.

Mr. CAMPBELL: The hon. member failed to draw a distinction between those who paid the taxes and the point at which the taxes were paid. To be fair to the Maritime provinces, let me take the case of Prince Edward Island. Prince Edward Island is a purely rural province, there being nothing worthy of the name of a manufacturing establishment in the whole island; in fact, the majority of the retailers buy their goods from wholesalers resident outside of the province. The wholesaler in St. John or Halifax buying a shipment of goods on which he pays the duty, wholesales these goods to retailers in Prince Edward Island. Now, surely there is no hon. gentleman who would attempt to prove that the duty was all paid either by St. John or Halifax; the duty is passed on to the consumer in Prince Edward Island. And that is the condition in the prairies. We buy tens of millions' worth of goods manufactured in Montreal, Toronto and other eastern industrial centres and we have the duty passed on to us; whatever charges are met, whether it be duty or sales tax or anything else, is passed on to the consumer in that province. So that there is no hon. gentleman so unsophisticated as to accept the figures which my hon. friend gave us last night in the sense in which he intended them to be taken. Let me take the position of Saskatchewan alone. It will be noted that the figures show this province contributing to the national revenue very much less per head than Manitoba. But Manitoba has the city of Winnipeg, which manufactures a considerable amount of goods and is a wholesale distributing point; almost all of our goods are received through Winnipeg. Naturally Winnipeg pays the taxes directly and passes them on to us. So I think we can very well dispose of that.

Mr. DICKIE: May I interrupt the hon. gentleman? The disconcerting feature is that the people of the western provinces do not seem to take kindly to buying Canadian goods. They want the duty taken off so that they can buy imported goods. That is what is worrying us. The west want the Hudson Bay railway completed so they may import goods direct from the Old Country. Unless they buy goods produced in Canada they are not contributing their per capita toward the

upkeep of the country. If they buy Canadian goods, then the case is different.

Mr. CAMPBELL: Mr. Chairman, the hon. gentleman's interruption is not relevant to the point in discussion. The protective tariff to-day compels us to buy home-manufactured goods whether we like it or not.

Mr. DICKIE: You are opposing the protective tariff.

Mr. CAMPBELL: That is not under discussion at the present time. The fact is we do pay those taxes when we buy home-manufactured goods which to-day we are compelled to buy. Throughout almost the entire history of western Canada the people of those provinces have been compelled to pay from 25 to 40, 50 and even 100 per cent more on their freight rates than the people of eastern Canada. That is admitted. If we could have an actual equalization of the freight rate structure, we would have no objection whatsoever to the abrogation of the Crowsnest pass rates. I want to make that plain to hon. gentlemen. Just let the government lay down a policy of equalization of rates, and I think that not an hon. member in this section of the House will object to the complete abrogation of the Crowsnest pass agreement. The only reason why we are protesting against its partial abrogation is because we know there will be a distinct discrimination against us in any rates that are set by the Board of Railway Commissioners. Let us take the western rates case, which was heard before the railway commission in 1913, and judgment given the same year. In their judgment the Board of Railway Commissioners admitted frankly that there was serious discrimination against western Canada in the freight rate structure, but they justified that discrimination on the ground that the railways must carry goods cheaper in eastern Canada in order to meet water competition. That I may say is the reason, and the only reason, why we in the west are demanding the retention of some statutory protection against the discrimination that we know the Board of Railway Commissioners would inflict on us if they have a free hand. It is possible that Ontario and Quebec and the Maritime provinces may get a square deal, it is possible that the freight rate structure may be equalized in so far as those five provinces are concerned; but we in the prairie provinces know, as do hon. gentlemen from British Columbia—although they may not be quite ready to admit it—that the Board of Railway Commissioners will not give that province or the three prairie provinces a square deal and make any attempt whatsoever to equalize freight rates as between eastern and western Canada.

Mr. KING (Kootenay): Why should my hon. friend state "We know the railway commission will not give the prairie provinces a square deal"? That is not a fair statement to make.

Mr. CAMPBELL: Surely, Mr. Chairman, we can judge what the Board of Railway Commissioners are likely to do by their actions in the past. We have their decision laid down in the western rates case, in which they admitted discrimination and justified it.

Mr. KING (Kootenay): At that time the whole field was covered with restrictions that prevented action on the part of the railway commission. The object of this legislation is to remove those restrictions and give the board an opportunity to equalize the rates.

Mr. CAMPBELL: I would point out to the Minister of Public Works (Mr. King, Kootenay) what I have already pointed out, that in the Speech from the Throne the government intimated the policy would be the equalization of freight rates. That would be perfectly satisfactory, but this bill does not provide for such equalization.

Mr. GRAHAM: That is the purpose of the bill.

Mr. CAMPBELL: If my hon. friend will read the bill he will find it does not provide for equalization. Let me refer him to this one clause:

> Notwithstanding the provisions of section three, the powers given to the board under this act to fix, determine and enforce just and reasonable rates, and to change and alter rates as changing conditions or cost of transportation may from time to time require,

and so on. That means we will have the rates worked out on the same old basis as before.

Mr. GRAHAM: I know my hon. friend wants to be fair. Let me point out to him that the only restriction on the action of the board is that portion of the Crowsnest pass agreement which is retained. Does he wish that removed?

Mr. CAMPBELL: I would be quite satisfied to see every vestige of the Crowsnest pass agreement removed if I knew that in the freight rate structure to be built up the railway commission would equalize freight rates as between provinces—the very thing that was intimated in the Speech from the Throne. If that were done, I think every member in this section of the House would be prepared to see the complete abrogation of the Crowsnest pass agreement.

Mr. STEWART (Argenteuil): If my hon. friend will look at the order in council, he will find everything contained in it that he is complaining about.

Mr. CAMPBELL: But the provisions of the order in council are not carried out in the bill. I am not a lawyer—

Mr. GRAHAM: You ought to offer thanks for that.

Mr. CAMPBELL: —but I fail to observe any particular instructions in this bill to the Board of Railway Commissioners to equalize freight rates as between provinces. That is the whole thing so far as we are concerned.

Mr. GRAHAM: The object of this bill is to remove restrictions so that the Board of Railway Commissioners can carry out the terms of the order in council.

Mr. CAMPBELL: There were very few restrictions on the board in 1913; why did they not do it then? The Crowsnest pass rates were not effective at that time because our grain and these other commodities were carried at rates less than those specified by the Crowsnest pass agreement. The railway commission was not hampered in their work in the least degree in 1913, and yet they admitted the discrimination, and they justified it and perpetuated it.

Now, the hon. member for South Oxford (Mr. Sutherland) interjected a remark while the hon. member for North Winnipeg (Mr. McMurray) was speaking, designed to show that there was a large deficit on the operation of the Canadian National Railways in western Canada. I would remind him that the railway commission have laid down the principle that in figuring rates the Canadian Pacific and not the Canadian National must be taken as the basis. I think every fair-minded member of this House and every fair-minded business man will admit that that is only right and proper. All the political crimes and blunders since confederation are welded together in the Canadian National Railways. Why, we have two thousand miles of duplication on the prairies, two thousand miles of railway that never should have been built. That was not the fault of the people of western Canada. That duplication is always going to involve a loss. We have three transcontinental railways that never were necessary, and a great deal of that unnecessary duplication has been shouldered on to western Canada. But in regard to the figures quoted by the hon. member for South Oxford, I would point out that in what is known as the western section, which covers everything from the head of the lakes—including I believe part of the Transcontinental—to British Columbia, if we study the figures for the Canadian Northern railway previous to its being taken over by the government, and the corresponding figures for the Canadian Pacific Railway, we shall find that their operating ratio has always been a little higher in British Columbia than in the prairie provinces. That is, they had to spend more to earn a dollar in British Columbia. The prairie lines of the Canadian Pacific Railway have always been the most cheaply operated of the whole system; their operating ratio has always been lower than that for the other parts of the system. Now, after 1917 the Canadian Pacific Railway did not keep separate figures for the prairie lines, but included those and the British Columbia lines in the same statement. Therefore any figures that may be quoted either in regard to the Canadian National or the Canadian Pacific Railway in that regard are not fair to the prairies because they have to shoulder the very considerable loss or lower profit that should be chargeable to British Columbia.

Mr. MILLAR: There must be a great deal of freight that originates at Fort William. Fort William is on the boundary line between the eastern and western sections. Is freight originating at Fort William credited to the eastern or the western section?

Mr. CAMPBELL: I take it that any freight transported by rail from Fort William would be credited to the western section.

Sir HENRY DRAYTON: I might tell the hon. member that Fort William is in the western section, and gets the credit.

Mr. CAMPBELL: The officers representing the managements of both roads have pointed out that it is almost impossible to properly separate the earnings of the different sections, so these should not perhaps be taken as arbitrary.

I would like to quote a few figures in regard to the Canadian Pacific—I shall not burden the House with very many. We find that from 1907 to 1911 inclusive, a period of five years, the Canadian Pacific railway produced net earnings, in the eastern section, of $43,500,000, and in the same period had net earnings over all expenses in western Canada of $91,500,000, a very much larger amount; from 1912 to 1916 inclusive, another five-year period, the eastern section produced net earnings of $60,000,000, and the western section, $152,000,000; from 1916 to 1920 inclusive, the eastern section produced $70,000,000, and the western section $144,000,000 of net earnings.

Now let us take the figures that really show what the earnings of the railways are, and

that is the operating ratio, or the amount that it is necessary to spend to earn a dollar. I am not going to quote extensively, but in going over these figures I find that right from the beginning of the Canadian Pacific Railway's history the operating ratio on the prairies has been very much lower than it has been in eastern Canada, and I think there is no ground whatever for the contention that the operating costs in western Canada justify higher freight rates. When the contention is made that if the reductions that would be brought about if the Crowsnest rates were allowed to stand—and in this connection the Minister of Railways has pointed out that if those rates were permitted to stand, the discrimination complained of to-day would have to be removed by the railways themselves, and I was very glad to hear him make that statement; he gave it as a reason why the government should set aside the agreement, but that is all the more reason why we in the west want to see the agreement retained, because we never had any doubts in regard to that—if the Crowsnest rates were permitted to go into effect, I maintain that our railways are operated to-day, so far as their passenger service is concerned, in a way that no business man, no manufacturer, no commercial institution in this country would tolerate. The railways are losing millions, and tens of millions, of dollars on their passenger service, and that loss on the passenger service has all to be shouldered by the freight service.

Now, what is the proper thing for us to do? To permit them to charge rates high enough to allow them to continue, and go on losing millions of dollars on the passenger service, or force them to put the passenger service on a paying basis, or as near to that as possible? I say they should be forced to put the passenger service on a paying basis or as near as possible, and in that way pass the saving on to the freight service.

5 p.m.

Now let us take the Canadian National railway. In the year 1922 the freight earnings alone of the Canadian National showed a surplus of $20,000,000.

Mr. McMASTER: Over operating expenses?

Mr. CAMPBELL: Yes. But the Canadian National in that same year had an operating deficit of $8,500,000 in its passenger service, and therefore, instead of turning in to the government that $20,000,000, or presenting a statement showing a surplus in the freight service of $20,000,000, the railway had to take out of that amount $8,500,000 to pay the deficit in its passenger service. In addition to that, the value of the equipment used in the passenger service is enormous. I have not the figures; I was not able to get them from the department.

Mr. GRAHAM: That is not taken into account in the operating expenses.

Mr. CAMPBELL: I have given simply the operating figures, not taking into consideration the overhead.

Mr. GRAHAM: The cost of the equipment would not be reflected in the figures as to operating costs. They are not considered in that.

Mr. CAMPBELL: I quite understand that. But I am pointing out that in addition to the $8,500,000 loss in the passenger service in 1922, there is an enormous overhead, and great depreciation through wear and tear on the equipment. I say that we are entitled to have that loss in the passenger service done away with, and the benefit passed on to the freight service. It can be done, and should be done.

Mr. GOOD: Is the hon. member of the opinion that if that improvement were made in the passenger service, the railways could afford to give this full reduction in freight rates?

Mr. CAMPBELL: That is precisely my point. I maintain that the railways could afford to give this complete reduction if they tried to operate their passenger service on a paying basis. Is there any business man in Canada who would say that there is any justification, for instance, for eighteen passenger trains a day passing between Ottawa and Montreal? That is one of the most absurd things I have ever known.

Mr. EULER: What would the hon. member suggest as a means to eliminate that competition?

Mr. CAMPBELL: If I were dictator in charge of the situation, I would cut off about sixteen of those trains.

Mr. EULER: What would you do supposing the management of one of the roads refused to cut off their share of the trains? Would you try to compete with them? What would be your method of dealing with that situation?

Mr. CAMPBELL: I would not worry about the management refusing to cut off the trains. I would put into effect reductions in freight rates that would compel them to reduce their passenger service.

Mr. EULER: A reduction in passenger rates?

Mr. CAMPBELL: In freight rates. Then they would be compelled to reduce their passenger service to meet the cut in freight rates.

Mr. GOOD: Put more pressure on the railways?

Mr. CAMPBELL: Yes, and the only way in which you can bring pressure upon them and force them to do it, is to reduce the freight rates. The Canadian Pacific railway, this wonderful institution whose marvellous efficiency we so often hear boasted about, is also losing an enormous sum of money on its passenger service. That is not generally known, but it is so. It has operating losses every year on its passenger service, I believe, not taking into consideration its overhead, and the wear and tear on its equipment; but it is not greatly concerned how much it loses just so long as we in this parliament permit it to charge sufficiently high tolls on the freight traffic. So long as they can meet out of their freight earnings the deficit in their passenger service, they do not need to be concerned at all. There is only one way in which we can force them to reduce the passenger service to a businesslike basis, and that is to reduce the freight rates to a proper basis, and I maintain that that can be done without the railways suffering any loss of revenue.

A few weeks ago I made a trip to Montreal. I went down there purposely to study this situation. About midway between Ottawa and Montreal—I thought it would be fair to take a point about midway between the two cities —I checked up the train and found there were 38 passengers on it, and there was accommodation on that train for 450 people! I could have gone out between the cars and almost thrown a stone over to another train of the Canadian Pacific railway going the same way, competiting for the same business, travelling to the same city. It is one of the most absurd situations imaginable, and yet it exists all over the country. Take the service between Montreal and Toronto, or take the transcontinental service. I can leave Winnipeg by two different trains leaving within fifty minutes or about an hour of each other. There is no necessity for it. There is no reason why there should not be only one transcontinental train a day. The Canadian Pacific and the Canadian National could run a train on alternate days, the Canadian Pacific leaving one day and the Canadian National the next.

Mr. GRAHAM: What answer would my hon. friend give, for taking away the service, to those people who do not live at the extreme ends of the line? In other words, if you take off the Canadian Pacific train on Thursday no person can be accommodated on that day except the man that lives in Winnipeg. All the intermediate and local points would be overlooked and they are of more importance, to my mind, than city points or just as much. That is the difficulty.

Mr. CAMPBELL: I would give them precisely the same answer that the Minister of Railways is giving us to-day when we are asking for lower freight rates—it cannot be done. That is a service that is not going to pay as far as local lines are concerned. I would point out though that a gasoline car operated between here and Montreal would have carried all the passengers on the particular train on which I travelled from Montreal a few days ago; there is no necessity for operating a very expensive passenger train for that service at all.

There is one thing that has struck me very forcibly all through this debate, and that is the attitude of our friends in the east. One hon. member asked the other night why the Crowsnest pass rates should not be given to Quebec. Perhaps the hon. member in question was not aware that Quebec to-day has lower rates than the Crowsnest pass rates. But I want to point this out: it seems to be the fight of the prairie provinces, whether the freight moves east or moves west, regardless who has to pay for it. If we get any benefit in the matter of reduced rates on our products going out surely Ontario gets some benefit from its products moving to the prairie provinces. That angle of the question seems to be forgotten by hon. members from the eastern provinces. I want to point this out also: that just as soon as you raise the freight rates on flour, feed, and any of these other products coming east, you are going to raise your own cost of living; you are going to increase the price of bran, shorts, and flour to everyone desirous of using these commodities in eastern Canada. It is a problem for you gentlemen in the east just as much as it is a problem for us; and the solution of that problem would mean as much to you as it does to us. And let me say further in regard to the thirteen commodities on which the rates were reduced when moved west: That reduction made a market for your Ontario products in the western prairies which this legislation will do away with. Surely there can be no question as to that. And yet my hon. friends in Ontario do not seem to realize that it is to their interest as well as ours to maintain reduced rates on all these commodities moving

between the east and the west. These consist of apples, fresh fruits, furniture, building material, agricultural implements, fence wire, dairy cattle, and some other items.

Now what about the problem of British Columbia? The hon. member for Vancouver Centre (Mr. Stevens) last night enunciated what I presume is the policy of the official opposition. He pointed out that the proper and logical thing to do was to leave the Board of Railway Commissioners free and unhampered—absolutely free and unhindered by any statutory agreements or limitations—so as to give them a complete and free hand in the building up of a new freight scale. Looking at the question in an abstract way I would be inclined to agree with the hon. member, I would think that from an academic standpoint that would be a right and proper course to take; but there is a human side to this question which we cannot overlook, and while I do not feel like criticizing the personnel of the Board of Railway Commissioners, we know that in the past we have not had a square deal from the board. No one knows this better than my hon. friends from British Columbia. If there is any one province or any one part of the Dominion which is dependent upon another, it is British Columbia with regard to the prairie provinces. Those provinces are the principal market for the fruit, the lumber, the building material, and all the other products of British Columbia. But what has the freight schedule done for that market in the past? Why it has simply been used as a protective tariff; and I draw the attention of my hon. friend for Nanaimo (Mr. Dickie), who asked me a question a few moments ago, to the fact that the freight rates to-day operate as a protective tariff at the Rocky Mountains to prevent British Columbia products from entering the prairie provinces, and I believe that it has been deliberately designed with that end in view. Let me quote a few of these discriminatory freight rates. Taking the regular classification I find that from Vancouver to Kamloops, a distance of 250 miles, the first class rate is $1.34.

An hon. MEMBER: On what?

Mr. CAMPBELL: On any first class commodity. From Montreal to Wylie, a distance of 253 miles, about the same mileage, the first class rate is 75½ cents; and I can go all down the scale and show you instance after instance where it looks as if the whole freight rate schedule were intended to keep the manufactured products of British Columbia out of the prairie provinces and leave those provinces as a preserve for the eastern manufacturers. In other words it does the very thing on a limited scale that the protective tariff does in a national way. From Vancouver to Marquette, a distance of 1,437 miles, the first class freight rate is $3.99. From Montreal to Marquette, a distance of 1,446 miles, the first class rate is $2.76. What a discrimination against British Columbia! And yet my hon. friends from that province think that if they give the Board of Railway Commissioners a free and unfettered hand in this matter they would get a square deal. I have more respect for their intelligence than to think that they actually believe that.

Now let us take the rates on sugar. From Vancouver to Morse, Saskatchewan, a distance of 994 miles the rate is $1.41, but from Montreal to Fort William, 996 miles, or about the same mileage, the rate is only seventy-nine cents, just a little over one-half. Now sugar is one of the principal products of British Columbia, and the prairies are its logical market. British Columbia is the source from which we should get most of our sugar, but with a freight rate of such a character we are compelled to get our sugar from the Montreal refiners whether we like it or not. So I say again that this freight schedule operates as a protective tariff, deliberately designed I believe, to keep the products of British Columbia out of the prairie provinces. I find also that from Vancouver to Brandon, a distance of 1,333 miles, the sugar rate is $1.60 a hundred. From Montreal to Rennie, Manitoba, a distance of 1,343 miles, about the same mileage, the rate is $1.11, and so on down the scale. I have a great many figures here but I do not wish to worry the House by quoting them. The same thing is true of lumber. Of course British Columbia supplies most of the lumber to-day, but some of these freight rates were established at an earlier period when lumber was being shipped from the east to the west.

Mr. GRAHAM: Is British Columbia lumber shipped at a commodity rate?

Mr. CAMPBELL: On a commodity rate, but a much higher rate is imposed on lumber shipped into the prairie provinces than on eastern lumber moved for the same distance.

Mr. GRAHAM: In Ontario the shipments are made on a commodity rate.

Mr. CAMPBELL: I think that lumber is shipped on a commodity rate no matter where it is going, at least from mills of any particular size. Now let me take the case of rice. Vancouver imports rice from the Orient, and I believe that city is the logical

distributing point for the whole Dominion. Now, the rate on rice from Vancouver to Calgary is seventy-five cents a hundred; that from Vancouver to Montreal is also seventy-five cents a hundred. In other words that rice is carried by the railway companies from Calgary to Montreal, a distance of about 2,400 miles, absolutely free. For the benefit of whom? For the benefit of the Montreal distributor.

Mr. GRAHAM: The Vancouver distributor.

Mr. CAMPBELL: Not Vancouver, but Montreal.

Mr. GRAHAM: Not at all.

Mr. CAMPBELL: I want to point out to the minister that the Montreal distributor gets his rice from Vancouver at seventy-five cents a hundred. The distributor at Vancouver should be able to supply the local demands of the prairies. That is the logical place from which to supply those demands. I think there should be no difference of opinion on that point.

Mr. GRAHAM: I was not arguing on that at all. The commodity rates are for this purpose alone; to aid the industry at the point where the commodity is shipped. The commodity rate given to Vancouver, as my hon. friend says, is a very low one, in order that Vancouver might put rice into Montreal. That is the object.

Mr. CAMPBELL: I contend that in this case the rate is given, not to Vancouver at all, but to Montreal, because it does not go through the Vancouver distributor. The Montreal importer can import it direct from the Orient and possibly, deliver it back on the prairies and take the market from the Vancouver distributor.

Mr. McMASTER: It is absurd.

Mr. CAMPBELL: Certainly it is absurd. It means that the railway companies are receiving an exorbitant rate that is almost confiscation for carrying the rice from Vancouver to Calgary, or else they are carrying it at a distinct loss from Calgary to Montreal; either one of those two conditions obtain. There can be no question about it, and just as long as you permit the railways to carry anything at a loss, you must burden something else with the loss, and that is one reason we have high rates and why those rates are being maintained. If there is one part of Canada dependent upon another, it is British Columbia which is dependent on the prairie provinces. As we prosper in the prairies, British Columbia will prosper. As our farmers get into a position to buy your fruit, your lumber, your sugar and all the other products that you are producing, in British Columbia to-day, you will prosper, and you will prosper only in so far as we prosper. There is no mistake about that, and yet I say that in the four years that I have been in this House, on almost every issue that means anything to the prairie provinces, I see the British Columbia members lined up almost to a man against us. Yet I say that the interests of British Columbia are tied up directly with the interests of the prairie provinces.

I have a great deal of sympathy with the Minister of Railways, and I think Canada is fortunate indeed to have a man like the present Minister of Railways in charge of that department. When I hear expressions of opinion of hon. members behind the minister and realize what some hon. gentlemen in his party would do with this great enterprise, then I thank heaven we have such a man at the head of that department. I wish again to make one last appeal to the government to go into the question of passenger service very thoroughly. I find after discussing this matter with business men and newspaper men in Montreal that they see the absurdity of the position; they do not want eighteen trains a day passing between Montreal and Ottawa. It is only a matter of getting together and holding a club over the heads of the railways, and that club would be the reduction of freight rates. If the minister would say to the railways, "You must reduce your freight rates, or show very good reasons why you should be dipping into the receipts from freight in order to bolster up the passenger service that is not paying," it might have a good result. The onus is on the railways to do that. I think the transcontinental passenger service can be cut down, and the use of a few gasoline cars here and there will give just as good service as the people are getting to-day.

Mr. WOODS: The hon. member stated that the province of Ontario should be deeply interested in the Crowsnest pass agreement. What would his proposition be in regard to the discrimination against various points in Ontario? The cities of Brantford and Sarnia, and various towns and places where the Crowsnest pass agreement is not in operation pay a much higher rate than is paid by other cities which come under the Crowsnest pass agreement. There is a gross discrimination against different cities and towns in Ontario. Brantford has a large binder twine manufac-

turing establishment, and they do not get the benefit of the Crowsnest pass agreement. Undoubtedly they ship a lot of their binder twine to the west, and I see by the reports in the papers that Hamilton—

Mr. DEPUTY SPEAKER: Is the hon. gentleman putting a question?

Mr. WOODS: I wanted to clear up the situation so that we might fully understand it. I understand that the city of Hamilton is going to establish a binder twine industry, and that industry when in operation will get a lower rate going west than is given to Brantford. What would the hon. gentleman do in regard to that situation?

Mr. CAMPBELL: I cannot do better than refer my hon. friend to the minister's words last night, when he pointed out distinctly—and I think everybody agreed with him—that if the present rates were maintained the railway companies would be compelled themselves to remove the discrimination. He gave that as one of the reasons for the abrogation of these rates.

Sir HENRY DRAYTON: Despite the fact that my hon. friends to my left will say that we never change, I will take the same position in regard to railway rates that we took before; and if the absolutely obvious requires the slightest amount of corroboration, with much deference I desire to submit that the illuminating discussion we have had on freight rates proves beyond all question that parliament is not the proper body to consider the question of freight rates, on which the commercial life of this country depends. What do we know about it? What point have we in common after yesterday's discussion and to-day's discussion? What real practical thought have we got about the underlying principles on which freight rates have to be made? We have to do two things, first, to see that our railways can function and continue to function, and, secondly, that in functioning our rates shall be so arranged as to give each and every part of the country opportunity itself to function having again particular regard to the main activities of each part of the country. The solution of the freight rate burden of this country is not to be found in paper freight rates at all. We get no help in considering the freight problem by being referred to freight tariff items, some of which have been spoken of during this discussion. They are in part, rates on which little traffic moves. We are not at all helped by references to the rate on rice from Vancouver, or by my hon. friend's new and illuminating suggestion that Vancouver is given low rates to help Montreal.

Mr. CAMPBELL: I said that Montreal was given low rates, not Vancouver.

Sir HENRY DRAYTON: My hon. friend was saying one thing and thinking another. He was speaking of a seventy-five cent rate on rice out of Vancouver.

Mr. CAMPBELL: Out of Vancouver for the benefit of Montreal. The benefit to Vancouver would come from the rates Vancouver got from the prairie provinces.

Sir HENRY DRAYTON: I do not see the reason or the pertinence of the interruption. It is exactly what I said. We have that wonderful discovery made here today that a low rate out of Vancouver is a rate for the benefit of Montreal. That is what the hon. gentleman says when it is put nakedly in so many words and one sees how absurd it is, because professedly he is talking about the necessity of lower rates from Vancouver and his idea now is that lower rates from Vancouver are in ease of Montreal and not in ease of Vancouver.

I desire, in the first instance, to discuss the genesis of freight rates. I am not going into details, because it would take me at least two days to give hon. gentlemen anything like a fair, underlying idea of all the different things that have honestly to be brought into consideration when you are going over the wide field of a freight rate structure. But I am going to refer to what any freight regulating commission should strive to do, and further, what any intelligent railway traffic executive must strive to do. Is there any doubt about this first proposition, namely, that railways live on their revenue?

Mr. McMASTER: Hear, hear.

Sir HENRY DRAYTON: I get "hear, hear" from one quarter. I am glad at least to have that assent. There is no question about it. Again, is there any doubt that, unless a charitable government is ready at hand to use the money of the ratepayers as a whole for the benefit of some selected ratepayers, if those revenues are not enough to keep the railways going, they will stop just like any other commercial enterprise? Therefore, it becomes necessary that there be railway revenues. Judging from some of the conversations and arguments we have had, I am inclined to think some hon. gentlemen believe that to express a pious wish that railways should have revenues is sufficient. They need them in fact, and they need them out of traffic. While that is a

consideration of first moment, it is only the secondary consideration. The real consideration of railway construction is and ought to be the providing of such a vehicle of transportation as will enable the business of the country to function properly, and all railway rates ought to be arranged, bearing that in mind. The hon. member (Mr. Campbell) says that if there is a loss on any railway rate, that is wrong, because somebody else makes it up. Theoretically, he is right. Practically he is wrong. There are certain things that have to be done in connection with public necessities and the like having regard to articles of very low value that in the public interest ought and have to be carried. I see the hon. member for Brome making a face at me.

Mr. McMASTER: No.

Sir HENRY DRAYTON: In connection with that face, I want to point out—

Mr. MARLER: That is unparliamentary.

Sir HENRY DRAYTON: No, his natural face is very pleasant, but he is looking singularly distressed. I consider, for example, the grain business of great importance to this country, and there is not one ton, but there are many tons of grain carried to-day at an absolute loss to the railways.

An hon. MEMBER: No.

Sir HENRY DRAYTON: Some hon. gentleman says "no." I am going to give him facts. Does my hon. friend think that business should stop? I do not. I recognize the public necessity of that business.

Mr. McMASTER: Then it must be carried at somebody else's expense.

Sir HENRY DRAYTON: In part, yes, and I am in favour of that. The only thing that I am not in favour of is a situation where we have hon. gentlemen from the district particularly benefited telling us down in the east that our district is the place of railway deficits and theirs that of railway profits; that the figures we have produced here are nonsense. I do not know where they get their information from. I notice that these same gentlemen upstairs in the committee on Railways and Canals seem to think Sir Henry Thornton is honest and is not there to deceive them, and the figures are his as to the losses in western Canada. But I am getting a little ahead of the story.

Mr. CAMPBELL: Will the hon. member not admit that the figures I quoted from the Canadian Pacific are correct? I pointed out to him that it was not fair to take a conglomeration of failures like the Canadian National Railways and to build up a rate structure on that.

Sir HENRY DRAYTON: I will give my hon. friend some Canadian Pacific figures in a few minutes, but in the meantime he is talking about failures. Where do he and his party stand in connection with the National railways? Is that how he describes them? There is no greater load to be carried by the west in connection with the National railways than that which is carried in eastern Canada. We have the National Transcontinental, the whole of that barren bridge in northern Ontario, charged up to us. It is perfect nonsense that these excuses should be put up in a sectional way. We get more sectional talk about this thing, a thing in which everybody is interested, in which Ontario is prepared to pay her shot for the benefit of the west and is prepared to go on doing so, than nearly anything else. We have even a suggestion from the former Solicitor General that we should have an absolutely sectional Board of Railway Commissioners. He does not stop at that. In his opinion we should also have a sectional Supreme Court of Canada.

Mr. McMURRAY: I cannot let the hon. member away with that. Did I not say that there should be further representation from the west upon the Board of Railway Commissioners?

Sir HENRY DRAYTON: What other is that than sectionalism? What we want is the best man, the strongest man, the fairest man and the biggest man available on any job in this country, no matter where he comes from.

Mr. McMURRAY: And the west can produce them.

Sir HENRY DRAYTON: Yes. The board never had a stronger commissioner than the late Mr. Justice Killam, and I thought the very last thing the west would say was that the west could not produce them.

Mr. McMURRAY: "Can produce them."

Sir HENRY DRAYTON: I had it a moment ago "could". I wonder if my hon. friend is qualifying for the job.

Mr. McMURRAY: I can relieve my hon. friend of all his wonderings. He may have wandered far in many places, but he is wrong in his wandering in this instance. I am not.

Sir HENRY DRAYTON: I do not know whether that is a good thing or not. It might

be worse. But let us get back to the genesis of railway rates. They should be rates which, in the first instance, would render it possible for the country's business to move surely and profitably and, in the second instance, rates which would enable the companies to continue to live. Let me take some of the illustrations which were given by an hon. gentleman who gave us one or two illustrations as to freight rates. You may have a high rate in one section of the country in connection with traffic that it is not very greatly interested in and a low rate in connection with traffic that it is interested in, and you may have a condition where, instead of having one low rate, you have many; or, on the other hand you may have a condition where, instead of having one high rate, you have many, and you may find that traffic is carried in the district in which there are many high rates cheaper than it is in some district with many low rates.

Mr. CRERAR: Is that justifiable? I am asking purely for information.

Sir HENRY DRAYTON: It entirely depends. What must be kept in view is the desire to enable business to be carried on properly. There ought to be put into force such rates as will enable districts to function and give a first consideration to the primary activities of each district, making that the chief object. If you do that, carrying it right down, you get to the point where of necessity you must charge higher rates on some things to the very great advantage of the district.

Mr. CRERAR: I am inclined to agree with my hon. friend; I think there is a great deal in his argument. But I would point out that it does not square with the theory of equalizing freight rates. I think the idea of absolutely equalizing freight rates is a hazy dream.

Sir HENRY DRAYTON: My hon. friend is largely right. When you talk about an equalization of freight rates you are faced with an ever-changing proposition, for one thing. The demands of business are not the same everywhere; they are not constant. What is necessary to move certain traffic here to-day may be necessary over there to-morrow. We may go wrong in one of two ways. In the first place, it is wrong to have equality in relation to unequal things, and it is just as wrong to have unequal treatment in dealing with equal things. The one is just as wrong and vicious as the other, and the fact is so obvious that it needs only to be stated in order to be appreciated. After all what is it that the people are interested in? They are not interested in the theoretical amount chargeable in a great long list of freight rates; what they are interested in is the actual cost of moving actual traffic. And all freight rates are reducible to one common factor everywhere, namely, the return to the company per ton mile. How much is the company getting out of it? That is the question. The amount collected from the public is the real thing in which the people are interested.

Mr. McMASTER Suppose there is a district producing a valuable mineral ore as well as a considerable quantity of wheat; would it be fair to carry the wheat out of that district at a charge below cost of carriage because, from the same district, a high enough rate could be imposed on the mineral ore to make the carriage on the whole profitable?

Sir HENRY DRAYTON: I can answer that frankly. In connection with all freight rates we must consider these three points: first, the question of public necessity; second, the cost of service; and, third, the amount of added value of the property to the owner by reason of transportation. My hon. friend deals now with a valuable ore. Well, that is worth nothing without transportation, whereas, transportation being provided, it is of great value to the owner. In connection with any commodity in relation to which the percentage of cost of transportation to the total value secured in the ultimate market is insignificant, I would say that the railway should charge enough to make it possible to carry that freight covering all possible charges with a profit. On a valuable ore, I should think that the freight ought to be relatively high.

Mr. McMASTER: Does not that mean in effect that the railway board should regulate freight rates in such a way as practically to tax one man's business in order to make another man's profitable? Is that just?

Sir HENRY DRAYTON: Practically all modern business proceeds along this line, no profits here, good profits there. Let us take the case of a departmental store; here the charges will be high, there they will be low; the profits will be up here while they will be down somewhere else.

Mr. McMASTER: But the whole shop belongs to one man or one company.

Sir HENRY DRAYTON: Perfectly true; the illustration I readily admit is not a very good one. One really needs a blackboard to

illustrate these questions properly; but suppose we assume that this sheet of paper which I hold in my hand is a blackboard. Suppose we have at the top of the board "100 per cent", representing the sum of money which will enable the railway company to function properly, to pay its costs of maintenance and betterments, its taxes, its interest on bonds, and its overhead charges and fair profit. All that is represented by 100 per cent. We will assume that a line midway down this hypothetical blackboard, marked "50 per cent", represents the actual cost of operation entirely apart from all overhead charges, the cost of operation involved in the actual movement of traffic. Let us assume further that there are fifty people living in the district who by their efforts are producing enough to meet that 100 per cent; and there are five more who come in, newcomers who want to go into the business of growing wheat. Now, they cannot pay any high freight rate on that commodity and it is perfectly obvious that if their rate be below the 50 per cent line they are penalizing the people that are already there. But if instead of taking a rate below the 50 per cent line, we take from the wheat grower enough to give us 60, assuming that the proportion of tonnage of wheat is equal, it is clear that 10 per cent being added to the upper register, as it were, the general burden on the fifty people who were there first falls from 100 to 90. And that is exactly the situation which my hon. friend puts in regard to the ore and the wheat.

Mr. EULER: I am afraid I have not been able to follow entirely the illustration given by my hon. friend. However, I want to ask him a practical question, returning to what my hon. friend from Brome (Mr. McMaster) brought up. In the case of the transportation of rich ore would not the cost of moving that commodity be a factor in the fixing of rates?

Sir HENRY DRAYTON: All questions of cost are factors.

Mr. EULER: Would it not be the greatest factor?

Sir HENRY DRAYTON: Not at all.

Mr. EULER: And it should not?

Sir HENRY DRAYTON: No. The genesis of all freight rates was the old common law yard stick of what the services were worth; and that old yard stick was something that always related to the value of the commodity carried. There were two reasons for it: the value of the service was greater to the owner of the commodity as the value of his commodity increased the more, and the carrier's risk was infinitely greater.

Mr. McMASTER: It seems to me that that is perfectly logical where freight rates are the result of individual bargaining, but where they are imposed by a quasi-judicial body I cannot see the justice of calling upon the carrier to perform the service at less than the cost of carriage, simply because he can recoup himself from other shippers by charging them more than the cost of carriage.

Sir HENRY DRAYTON: My hon. friend is missing the point. There are two costs of carriage which I am trying to give. There is the cost of carriage proper, which means what proportion that service would represent having regard to the total load—

Mr. McMASTER: The total load should be distributed over all.

Sir HENRY DRAYTON: My hon. friend will follow me and surely see that he is wrong. That is, if we are going to look after the products that are not so costly as others, we must look after them at lower rates, they cannot afford to pay the general rate, and it does not take five cents from the shippers of the more expensive products, because of these cheaper products would not move at all unless they got a low rate, and because if they earn up to that fifty per cent line of actual cost and get even into the sixty per cent line, as I have pointed out, it is really in ease of the general proposition. I think my hon. friend must see that.

Mr. McMASTER: I can follow perfectly the argument that my learned and hon. friend is making, but it does not square with my sense of justice or fairness. It seems to me of doubtful public utility for society in general to move things which cannot bear the cost of being moved.

Sir HENRY DRAYTON: Well, Mr. Chairman, every country in the world recognizes the principle that I have been talking about, whether they have rate-regulating commissions or not. That is the reason we have ten classes of freight and commodity rates without end. If these concessions were not made by the railways in ease of business, we would not have business moving in essential lines; that is simply all there is to it. Of course, that goes right down to the foundation of everything. My hon. friend is correct, this House can make freight rates, it can say that any commodity is going to cost just so much per ton per mile. But he would find himself supporting an absolute impossibility, for his proposal never could be worked out; in a

word, he would be attempting to treat similarly things that are not equal. It would involve his treating the movement of a ton of gold—to give an extreme case—in the same way as a ton of grain. It does seem to me that the mere statement of the logical outcome of his proposal will at once induce my hon. friend not to persist in it. Of course, if he is right in thinking that anyone can make freight rates, the business of the country would be absolutely destroyed. Now, when we come to look after freight rates, our first honest endeavour ought to be, as I have said, to make sure that the business of each province shall move. The freight increases have worked against the full realization of that endeavour. But our great effort still ought to be the encouragement of interprovincial trade. Unfortunately to-day we have some rates so high that we are not doing the volume of interprovincial trade that we ought to be doing. I am not going to restate the position we laid down in 1922 beyond remarking that the underlying principles are the same now as they were then. The west, we will say, is interested mainly in grain and flour; British Columbia is chiefly interested in fish and lumber; and in Ontario and Quebec we have a greater diversity of commodities without as much volume in any particular one. Now, some hon. gentlemen have said that they do not like the figures of the government lines. Well, I am going to give them some figures of the Canadian Pacific lines. An hon. gentleman said that there was something wrong in 1913 in connection with the western rates judgment, and I am about to give the Canadian Pacific figures with respect to the only real, honest yardstick by which this question can be measured, namely, the earnings per ton per mile. In 1917 the return on Canadian Pacific eastern lines was .69 cents and on western lines .70 cents per ton per mile. I just take that one year for the purpose of showing how, notwithstanding all the examples that can be cited of paper traffic, traffic that never moves in any volume at all, traffic that no one is interested in—notwithstanding all those absurd illustrations, how close the board came in the adjustments made in the western rates case judgment. If anybody can show a closer approximation of rates in realities, I should like to see it. Those are the exact figures which resulted from the tariffs that were then fixed.

Mr. GOOD: Is there any discrepancy between that statement and the fact referred to by the hon. member for Mackenzie (Mr. Campbell), that the Canadian Pacific net earnings in western territory were nearly double their earnings in eastern territory?

Sir HENRY DRAYTON: I do not think there is any, because if I remember right, at that time the mileage in the west was just about twice that in the east. If you have twice the investment there, if you have two horses at work in one place as against a single horse in the other, you may expect better results.

Mr. FORKE: You may have twice the mileage and not twice the investment.

Mr. CAMPBELL: Will not the hon. member admit that the operating ratio was very much less in the west?

Sir HENRY DRAYTON: I am trying to get at what is the exact truth, but hon. gentlemen may not like it.

Mr. FORKE: We love the truth.

Mr. McMASTER: We are all sitting, as it were, at the feet of Gamaliel.

Sir HENRY DRAYTON: I am afraid it is an indifferent audience in some places. I said the return on eastern lines was .69 cents and on western lines .70 cents, or a difference of only one one-hundredth of a cent in the actual per ton mile returns.

Mr. CAMPBELL: Will the hon. member tell us if the western lines include those in British Columbia?

Sir HENRY DRAYTON: Certainly.

Mr. CAMPBELL: There is a difference there because the British Columbia operating costs are higher.

Sir HENRY DRAYTON: My hon. friend from Mackenzie is again betraying his absolute ignorance of the subject. Why, to put in British Columbia, granting what he calls its tremendous high rates, should make that return far higher, but even with British Columbia in it is only .70 cents. He is simply killing his case when he gets that admission.

Mr. CAMPBELL: Not at all. I was pointing out that the operating ratio has always been higher in British Columbia, and that when British Columbia was included with the prairie provinces it naturally raised the operating ratio for the whole four provinces.

Sir HENRY DRAYTON: My hon. friend apparently is incapable of understanding the English language. I am not talking about operating ratio, I am talking about per ton per mile returns. Operating ratio has obsolutely nothing whatever to do with it.

Mr. McMASTER: That is, gross returns.

Sir HENRY DRAYTON: Certainly. Those are the returns per ton per mile, and the inclusion of the territory which the hon. member for Mackenzie refers to as "this awfully high territory"—British Columbia—in that should make just that much higher figure if those things were out of line.

Mr. MILLAR: In the comparison the hon. member is making now are passenger receipts included?

Sir HENRY DRAYTON: So far, Mr. Chairman, we are not moving passengers on a per ton per mile basis! This is freight. We may get down to that basis, but I hope not.

Mr. MILLAR: You are making a comparison of earnings.

Sir HENRY DRAYTON: Oh no. I want hon. gentlemen to try and get this clear, because, after all, we are trying to understand freight rates. I am not talking about earnings, but about gross receipts. I am talking about all the money that is taken from different sections of the country, and I am showing that in connection with your per ton per mile receipts, which is the only practical yardstick on this question, the Canadian Pacific Railway in the year 1917 took for the carriage of freight in eastern territory, .69 cents, and for the carriage of freight in western territory .70 cents,—the difference is the alarming one of one-hundredth of one cent per ton per mile.

Mr. FORKE: Does the hon. member say that the earnings per ton per mile is the only gauge by which to judge?

Sir HENRY DRAYTON: Oh no, but let us take one thing at a time. I am answering some of the arguments that have been made —but no arguments have been made yet having anything to do with freight rates whatever. What I am doing now is showing the difficulty we have in attempting to consider freight rates here. That is all I am trying to do, and I am having a great deal of difficulty at the very start.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Sir HENRY DRAYTON: Mr. Chairman, when we arose at six o'clock I had been dealing with the railway rates per ton per mile, and I had also referred to the argument made by the hon. member for Mackenzie (Mr. Campbell) in connection with the tariffs. Now, I want to say, in fairness to that hon. gentleman, that his argument is just as true, just as cogent and just as reasonable as any argument advanced by the late Solicitor General (Mr. McMurray). I am not going to take up the time of the House in going over those arguments, which were based not upon exact figures or facts, but I am going to take the concrete case given by the hon. member for Mackenzie in connection with the rate of seventy-five cents on rice, which rate he said was hurting Vancouver and enabling Montreal to get this commodity in cheaply and distribute it in quantities in territories where Vancouver ought to have the right of distribution. I say in fairness to him that he is absolutely honest in what he says but absolutely mistaken and absolutely wrong. But he is no more mistaken and no more wrong than—

Mr. McMASTER: Did he not say Calgary?

Sir HENRY DRAYTON: Oh no, Vancouver. The rate of seventy-five cents from Vancouver to Montreal—

Mr. McMASTER: And the same rate to Calgary.

Sir HENRY DRAYTON:—and the same rate to Calgary. I have taken the trouble to look up the records. This is a case I happen to know something about. In the first instance rice only came into Canada from two sources. Originally it came from the Orient altogether, and the distributing points for the Canadian rice markets were Vancouver in the west, on the one hand, and New Orleans in the south on the other hand. Vancouver desired to be able to go into the rice business in competition with New Orleans. But New Orleans is much nearer the eastern territory than Vancouver. The Canadian Pacific put that rate in. It put in a specially low commodity rate to enable Vancouver to distribute rice to Canadian territory in competition with New Orleans. No one could quarrel with that motive. It was a good thing for Vancouver, it was also a good thing for the country. It gave the country the possibility of having competition in rice, instead of leaving the whole of the eastern part of Canada entirely at the mercy of the distributors in New Orleans. I do not think that any hon. gentleman would seriously complain of that. Now then, how does it work out? The hon. member for Mackenzie says that is something which hurts Vancouver and is there to help Montreal. Well now, it is extraordinary that the Montreal people—

Mr. GOOD: Is not my hon. friend wrong in stating that the hon. member for Mackenzie says it hurts Vancouver? I do not recall that statement at all.

Sir HENRY DRAYTON: Oh yes.

Mr. McMASTER: My recollection is that he also said it hurt Calgary.

Sir HENRY DRAYTON: No, he said it hurt Vancouver by enabling rice to be put cheaply into Montreal, and enabling Montreal to send that rice back into territory it otherwise could not reach. There is no question as to what was said. But the Montreal people did not take that view. Montreal got started in the rice business, and desired to get a rate so as to be able to distribute rice upon a proportionate basis, and the Mount Royal Milling and Manufacturing Company, which is the Montreal company, after complaining about this rate for years, made formal application to the Board of Railway Commissioners. They complained as to this special commodity blanket rate of seventy-five cents per hundred pounds, applicable as it is on cleaned rice in car load lots, from Vancouver to practically all points of importance in the prairie provinces and Ontario and Quebec, that it was effective right through the whole of their own local territory, and they asked that the discrimination be removed. And what was the discrimination? Their rate from Montreal to Vancouver was $2.42 as against a rate from Vancouver to Montreal of seventy-five cents. Their rate from Montreal to Calgary was $2, as against a rate from Vancouver to Calgary of seventy-five cents. Their rate to Edmonton was also $2, as against the blanket rate of seventy-five cents. Their rate to Regina was $1.55 as against the seventy-five cent rate. the rate to Saskatoon $1.68; the rate to Brandon $1.23, and the rate to Winnipeg $1.14 from Montreal, as against seventy-five cents from Vancouver. Well, as I say, the hon. gentleman's argument that this rate was a hardship to Vancouver is no worse than other arguments we have heard in connection with this rate situation.

I am not going to waste any more time chasing phantoms in connection with the different points raised in argument by hon. members in regard to this freight business, but I am going back to the question which is the real governing question, which shows just exactly how much money is taken out of a district by a railway, namely the rate per ton per mile. I submit, Mr. Chairman, what I know to be the fact, and it is a result that I am frank to say I take a great deal of pride in; that the work of equalization, not that equalization which aims at making unequal things equal, which is an impossibility, not insuring equal treatment to unequal things, and thereby bringing about direct discrimination in fact, although not on paper; but an equalization which fixes the whole run of the traffic in such a way as to bring about practically the same result in this field of immense diversity and diversion. It is a tremendous task to perform. It is a task that takes years, and I do not for one minute say that it ever can be actually accomplished. Make your loadings and make your rates on the business of this year or that year, and you will be wrong, because with the very best intentions, following the matter up just as closely as it is humanly possible to do, hon. members will find that the percentages of this loading and that loading change from time to time, and inevitably you get differences in your results. You must get them indeed, unless we are going to treat grain just exactly the same way as you treat gold or anything else. But there the happy chance lies. Let us put it that way, that the happy chance made it in that year 1917 so that there was such absolute equality, not in rate tables, which mean nothing, but in the actual amount of money taken out of the people in the different parts of the country per ton per mile, that there is a difference only of one hundredth part of a cent, and I say it is the closest result, so far as I know, that has ever been obtained.

Rates are delicate things and they can do a great deal towards making or breaking the country. I am going to illustrate what I mean by that. Hon. members will pardon me if I have to refer to myself, because I am speaking of my own knowledge, my own action and judgment, but when I went on the railway board in 1912 there was no Drumheller coal in Winnipeg. The American coal had the market. It was actually carried as far west as Saskatoon. As a result of no hit-or-miss jumping at conclusions but as a result of a long, tedious investigation into the question of coal rates, including cost and the like, in the judgment of 1914 the whole basis was changed, and in consequence of that change it was but a short time before not only was there no American coal in Saskatoon, Regina, Moose Jaw and other like places, but the Canadian coal was absolutely controlling the markets there and selling largely in Winnipeg. You cannot get these results by acts of parliament. You can only get them by honest, long, painstaking efforts and endeavour. After 1917 we had different increases. You cannot preserve a proper equality of return when you are in the business of percentage increase. The need

was great. Time was important. Grain returns were high and there was no hardship at all. With these increases the parity which I referred hon. gentlemen to, and which was so marked in 1917, disappeared. I am going to show how it reappears, where it is and how it has become greater than ever it was before and where that disparity now is. The earnings per ton mile became:

	Eastern lines	Western lines
1918..	.79	.90½
1919..	.95	1.04

Hon. gentlemen will see at that time that the western lines were paying more than the eastern lines, the difference between .95 and 1.04.

	Eastern lines	Western lines
1920..	1.05	1.03

That is the first year after the war, when western rates were lower than eastern rates. I want hon. gentlemen to remember that these are of course gross figures and have nothing to do with the operating ratio. It is just to show how much the operations, in the composite results, were taking out of the people. That is the point.

	Eastern lines	Western lines
1921..	1.23	1.00

There is a difference against the eastern lines there of almost 25 per cent.

	Eastern lines	Western lines
1922..	1.13	.91
1923..	1.11	.82
1924..	1.173	.87

I just pause there for one moment to point out to hon. gentlemen how without any changes in the rate structure upward, but as a result of changes in the actual traffic moving —because in the two last years I mentioned the changes if any were down and not up—as a result of a larger percentage of freight that was carrying the higher rate, the rate goes up—

Mr. McTAGGART: Does this figure include all classes of freight, packet freight and all?

Sir HENRY DRAYTON: That is the whole freight business.

Mr. KELLNER: Did the territory known as the eastern division change in regard to the boundaries at all?

Sir HENRY DRAYTON: No. There is no change in this at all. I am giving the Canadian Pacific figures because the others were challenged. I was stopping to point out how the charge against the public under the same tariffs, that is, the mile run per ton, had advanced, having no reference whatever to raised tariffs, but simply to the change in the traffic. Another point that I want to make clear to my hon. friends is this, and it is a point which we all should know about. If you have a low operating ratio, traffic which moves in great volume even at a low fixed rate may be very remunerative. Hon. members must realize that at one time, in my opinion, the grain traffic was the most remunerative traffic in this country. That, I know, is a conclusion that many railway men do not agree with, but I do not agree with them.

Mr. HOEY: In what years would that be?

Sir HENRY DRAYTON: Before costs went up when we had a low operating ratio. Before the rate increases came up, we had in western Canada, a splendid operating ratio, one of the best operating ratios in the world. If you have a low operating ratio, so long as you are always below your low rate, and you have great density of traffic, you have great profits. We had tremendous density of traffic in the grain business. I have been making a little calculation based on a theoretical rate in order to give hon. members some idea of what I mean. For example, supposing you take a low rate structure; supposing you take an average ton-mile rate—and this is not out of the way as compared with what we used to have—of 55, and supposing you have a grain rate such as we have now of .52, that does not appear to be a tremendous difference; but if you were going to move seven billion ton miles if sixty per cent of that business was grain and you made a fair distribution of costs and if you had an operating ratio as high as 70—and the Canadian Pacific used to have in western territory an operating ratio as low as 62—you would have an operating profit of $5,400,000 on this grain traffic even at that low rate. You have your tremendous density and a movement which of itself is comparatively cheap. There is practically no yardage in connection with grain. The railway company is as a rule, at no expense either to load or unload the cars, and although the rate looks small, there was good money in it. Hon. gentlemen, however, must realize that when you are dealing with a business tremendous in its volume, where profits are made in the decimals of cents that I gave to the committee, if that decimal is wrong only a little way, the losses are correspondingly great. One thing that makes anyone who really wants to see business properly carried on in this country feel sad and depressed is the way in which hon. gentlemen here will not look facts in the face and will make statements which,

although they may believe in them, are absolutely misleading and which they have only to turn to their own records to know are absolutely misleading. A difference of a few decimal points has worked a tremendous change in our railway situation. While before the grain business was profitable, to-day it is not.

Mr. KENNEDY (Edmonton): Why is it that in the grain moving season the monthly net profits jump so tremendously?

Sir HENRY DRAYTON: My hon. friend will find, as regards the months when the net profits rise, there is really no such thing as a monthly net profit. There are approximations which are put in from time to time, but you do not know what your profits are until the end of the accounting year. He will also find in connection with those self same months there is a movement of high class freight. I am not going into speculation; I want to give the facts, but I want the committee to understand first the reasons for those facts. I want hon. gentlemen to understand this: I have taken the position always consistently that I believe these grain rates and flour rates should be very low. I believe in looking after them; I believe in seeing that the west can properly function; but I believe in everybody knowing what we are doing. I believe in the truth, in looking the truth in the face, and in justifying a rate which will enable the west properly to function. I do not believe we shall ever get a unified country if hon. gentlemen from the west persist in making the claim that they are supporting the railways of Canada. I was pointing out that the difference of a very few decimal points makes a tremendous difference in connection with the results. I have supporting statements for that view.

Mr. CRERAR: Do I understand my hon. friend is arguing that the present grain rates are not profitable to the railways?

Sir HENRY DRAYTON: I certainly do.

An hon. MEMBER: Oh, oh.

Sir HENRY DRAYTON: An hon. gentleman says, "oh, oh". We all like to say "oh, oh", but that does not produce results nor does it produce dividends or anything that enables the country to function. Let me tell hon. gentlemen something else. Although grain rates in western states are much higher than they are in Canada, the states which are supported by the grain movement, the states in which the railways function as a result of the grain movement, have to-day an application before the Interstate Commerce Commission. They are asking for rates, not only higher than our present rates, but far higher than the rates they now have, and they say that unless they get those increases, they will go out of business.

Mr. SHAW: To what states does the hon. member refer?

Sir HENRY DRAYTON: The states immediately to the south, the Dakotas, and Montana.

Mr. GRAHAM: Sixty-six companies.

Sir HENRY DRAYTON: The applications are all filed with evidence in support of them. There is the position of the earnings of these companies.

Mr. HOEY: Those railways do not move the volume of freight that our railways do. The minister says there are sixty-six companies.

Mr. GRAHAM: Sixty-six companies asking for an increase.

Mr. WARNER: Does the hon. member know why in Montana the railways are likely to go out of business or become bankrupt?

Sir HENRY DRAYTON: Yes, and I am going to tell my hon. friend. The trouble is that as a result of the opening of the Panama canal, they are in danger of losing their high class freight which previously they carried east and west. They are put into the position of having to support themselves very largely, not by high class freight, but by grain and flour, and they find it is impossible to do so. Hon. gentlemen need not think the United States do not produce a great deal of wheat. They do.

Mr. SHAW: Would it be fair to compare the rates from Montana to the Great Lakes with the rates from Alberta to the head of the lakes?

Sir HENRY DRAYTON: I have not reached that point yet. If my hon. friend is serious and will look into this question he will see that what I say is correct.

Mr. SHAW: I am very serious.

Sir HENRY DRAYTON: I do not think the hon. member is, having listened to something he said last night. The truth is that if the grain crop of 1923 had moved, over the mileage it did, at American rates, the western grain growers and millers would have had to pay in round figures $34,000,000 more than they actually paid. My hon. friend may

say that the longer haul is in the Canadian territory, and that is absolutely correct. There is no doubt that the longer haul being on the Canadian side there would be a gradual tapering in the rate on the mileage scale; but the difference would not have been so vast, and that $34,000,000 would not have been reduced to any enormous extent.

Mr. WARNER: Does the hon. member know that a large percentage—in my judgment about half—of the farmers who were in Montana supporting that railway had paid these high freight rates for so long a time that it put them out of business and compelled them to leave their farms? I travelled through that country and saw many vacant farms which I considered should be producing; but they were not producing anything. And that is what will happen in our own country if the rates are too high.

Sir HENRY DRAYTON: I do not think anyone will suggest that the Great Northern was very short-sighted in its policy, and I am sure their judgment would suggest still higher rates. Be that as it may, that is the situation.

Mr. KENNEDY (Edmonton): Did the Great Northern get any such assistance as was given the Canadian Pacific Railway?

Sir HENRY DRAYTON: I do not think it did. There were railways on the American side that did receive great assistance but I do not think the Great Northern did. The earlier American roads got land grants but this policy was soon stopped, and rightly so. But let us remember that every single cent of the Great Northern is shown there, while in connection with the Canadian Pacific, which is supposed to earn seven per cent on its investment in railways, so much of the favours which they got has been converted into property against which there is no charge that the earnings amount only to about 4.4 or 4.3.

I want to give to the committee the exact results of calculations made not by myself but by the statistical bureau of the Canadian National Railways. In these analyses no reference whatever is made to the operations of the Duluth, Winnipeg and Pacific railway, so that the results are as far as possible free from any American rate influence. The grain operating ratio for 1923 was 126.14 per cent, resulting in an operating loss of $6,088,499. In 1924 the grain operating ratio was 126.96, the operating loss being $5,812,016. Freight traffic other than grain produced on the other hand in 1923 net earnings amounting to $8,276,195 and in 1924, $10,432,831. Anyone who will take the trouble to go over the figures will be convinced that the statements that are made to the effect that the west is carrying the east are untrue. In 1923, in the western territory, excluding the Duluth, Winnipeg and Pacific railway, the railway operating revenues amounted to $66,000,000 odd and the expenses to $70,000,000 odd, leaving a net deficit in that year of $2,105,741. Can there be any honest dispute about this, unless on the part of some excited person on the hustings? Analyse these figures and you will get the revenue from passenger and allied services. Now, the hon. member (Mr. Campbell) was perfectly right when he said that passenger service does not pay. I have been saying the same thing day in and day out throughout this parliament when the question was up, and that is one of the reasons why we are absolutely insane in connection with our purchases of rolling stock. It is for instance absolutely ludicrous to buy $44,000,000 worth of rolling stock comprising in large part passenger locomotives and expensive coaches, and that in two years alone.

Mr. McMASTER: Is not the real reason to be found in the fact that trains are run half empty?

Sir HENRY DRAYTON: The hon. gentleman may try to palliate it as much as he likes, but the fact is that passenger business even in thickly populated centres does not pay, and the United States management regard the thickly populated peopled suburban areas near large centres as the only places where they can make money out of the passenger traffic. There is no mystery about it; every railway man knows that this is the case. And my hon. friend from Brome (Mr. McMaster) is also partly right. We can reduce the loss in part by running fewer trains and by putting a stop to the expenditure of some $1,200,000 for the purpose of advertising passenger trains. We could get rid of some of that loss if we stopped radio and a few more frills. But still there would be a loss. Each year there has been a substantial deficit on passenger business. Bringing in all these things, we have that deficit as I have stated. In 1924 we had a deficit of $1,240,353 on these lines. Now, hon. gentlemen to my left—so far the ex-Solicitor General (Mr. McMurray) is the only supporter of the government who has joined them—were well represented on the committee that investigated the Canadian National Railway accounts, and every member of the Progressive party on that committee has gone through those accounts, but I have never heard any sug-

gestion from them that the accounts were falsified; if they were, it was their business to show it. The hon. member for Humboldt (Mr. Stewart) has put in a lot of work on these accounts, and he understands them. He has found nothing wrong with them. If we want to be honest with ourselves, we will stop this idle talk that the west is carrying the east, when everyone knows that the fact is absolutely the opposite. We have had large earnings in eastern Canada, as against losses in western Canada and in the Maritimes.

Now, some hon. gentlemen say, "You cannot raise rates in eastern Canada on account of water competition." I just wonder how many of those who indulge in that talk really think there is anything in it except so much nonsense. Has not the cost of water operation gone up? Does not everybody know it? Cannot raise the rates in eastern Canada! Why, the rates on pretty nearly every bit of farm produce grown in eastern Canada were raised from 80 to 83 per cent, and they are still up. Hon. gentlemen from farm constituencies in Ontario and Quebec know the state of their rate situation. The ex-Solicitor General actually says, "You cannot raise rates at all in central Canada because of water competition." Well, I should like him for once to look at a tariff, to take a real interest in this situation, and to go and tell the farmers of Ontario and Quebec that their rates cannot be raised because of water competition. The truth is that the rates of the farmers of central Canada on butter, cheese, eggs—the very things that they are interested in—were raised as high as 83 per cent, and only a thin shaving has been taken off. They are still at that high level, and we might as well tell the truth about it.

Mr. CRERAR: How do those rates at present compare with the rates for similar distances in western Canada?

Sir HENRY DRAYTON: I should just like to give my hon. friend this very good answer to his question: their rate per ton mile table from Ontario and Quebec is 1.73 cents.

Mr. CRERAR: That is on all traffic.

Sir HENRY DRAYTON: Yes, I am dealing with all traffic. It is the only way I can deal with this question.

Mr. CRERAR: No, I asked my hon. friend a question which he is very skilfully evading, but which I do not propose he shall evade. He made the statement that the rates on dairy products in eastern Canada had been raised 83 per cent. I asked him how those rates compare to-day with rates for the same mileage in western Canada, and he quotes me a figure embracing the whole general freight situation. That is not an answer to my question. I should like my hon. friend to answer it.

Sir HENRY DRAYTON: I am quite frank in saying I have not that table in front of me. If my hon. friend will take the trouble to look at the facts, he will find that all the increases in eastern and western Canada, as given by the Board of Railway Commissioners in answer to a question put to them by the hon. member for Brome (Mr. McMaster),—I am speaking from recollection, but I think I am practically right—were 40 per cent odd in western Canada as against 70 per cent odd in eastern Canada.

Mr. CRERAR: Is it not true that they simply removed to that extent the differences or discriminations that existed prior to those changes?

Sir HENRY DRAYTON: Mr. Chairman, there were no differences and there were no discriminations in the large volume of business done, in the toll taken on the real activities that the west wanted. On the other hand, for every single mile that a car is hauled—and that is the service they get, there is no sidestepping in saying that, it is the fact—for every mile that a car is hauled western Canada pays 87 cents while eastern Canada pays 1.17 per ton of freight. There is where the burden is. If it is not so, how does my hon. friend account for the large surpluses in the one territory and the deficits in the other? Do surpluses mean nothing to him on the one hand and deficits on the other?

Mr. CRERAR: Other factors enter into the calculation that entirely upset my hon. friend's argument.

Sir HENRY DRAYTON: My hon. friend is not doing himself justice.

Mr. CRERAR: Oh, yes he is.

Sir HENRY DRAYTON: Unless he is desirous of going back to a rate situation which has changed absolutely as the result of the change in operating ratios, he is doing himself very scant justice. What is there in it except on the one hand receipts and on the other operating ratios? The operating ratio in the west is lower than it is here; it always has been, and I hope always will be; but the operating ratio, lower as it is in western Canada, still produces a surplus in eastern Canada and a deficit in western Canada. There is nothing else for my hon.

friend to consider except receipts and operating ratios, unless he wants to pretend that there is any discrimination in the rate charged to a farmer reaching a market, for example, in Toronto, as against the rate charged to a farmer reaching a market in Vancouver—a condition of affairs where they cannot in the slightest degree come in competition one with the other.

Mr. HOEY: Will the hon. member contend that water rates have no bearing on freight rates in eastern Canada?

Sir HENRY DRAYTON: Certainly not, Mr. Chairman. I do not contend so for one minute. My hon. friend is perfectly right. The ludicrousness of this whole situation is the statement made by more than one hon. gentleman to the effect that water rates do not go up. Why, they have gone up tremendously, as everybody knows.

Mr. HOEY: Then rail rates could not remain high if water rates came down; is that the position?

Sir HENRY DRAYTON: No; but as it is to-day there is the situation. The whole fallacy is in the idea that you cannot raise rail rates because water rates are always the same; they are not. Look at what we have here in the ocean rates committee, look at what happens on the Great Lakes.

Mr. GOOD: Did anyone contend that water rates had not gone up?

Sir HENRY DRAYTON: We had this argument made at the time, against the fact of our increases everywhere in eastern Canada, that the freight rates could not be raised in eastern Canada because of water competition. We had that argument made by the ex-Solicitor General.

Mr. McMURRAY: Does the hon. member think he is quoting the ex-Solicitor General fairly? Was not this the argument I made: that water rates are always lower than railway rates, and there must come a time when the water rates in eastern Canada will be lower than the rates in western Canada; that is, naturally there will be an advantage in rates in favour of eastern Canada? That was my argument.

Sir HENRY DRAYTON: My hon. friend may have understood it, but he did not say it.

Mr. McMURRAY: I said it, but perhaps you did not understand it.

Sir HENRY DRAYTON: Have it any way you like. But the absurdity of the whole thing is just as I said before, that rates could not be raised in eastern Canada, and they had to be raised in western Canada to make up for deficits in eastern Canada my hon. friend was talking of to-day.

Mr. McMURRAY: No, ultimately.

Sir HENRY DRAYTON: My hon. friend can have it any way he likes. We are confronted with a real situation here, not with any theory. We are paying these rates in Ontario and Quebec, and we are paying those deficits to the extent that we have a surplus.

Mr. GOULD: Nobody has paid them yet.

Sir HENRY DRAYTON: Well, $17,000,000 is not so bad to take out of the centre for the purpose of distribution to the extremes.

As I said before, I perfectly recognize the national necessity of low rates on grain and flour. We ought to have them; I have always taken that position. But I also appreciate the national necessity of something like a fair understanding of the situation and of what is being done. I do not know that I should take up any more time in connection with rates as rates.

Mr. WARNER: Where merchandise is shipped from the east to the west, and the freight is charged up in the price of the merchandise, who pays that freight?

Sir HENRY DRAYTON: I have always found that when I got anything I was compelled to pay the freight, no matter where the goods came from. If my hon. friend can get his goods in any other way, he is lucky. I have always had to pay for them, whether it is freight or anything else.

Mr. WARNER: How can the east claim to pay the freight when it is charged up in the price of commodities sold in the west?

Sir HENRY DRAYTON: I fail to follow my hon. friend's question. I fail to get the sense of it. I want to be fair to him, and to be as polite as possible to him. I wish he would give me the point; I would like to deal with it.

Mr. WARNER: If you were out there and paid the price for the goods, you would get the point.

Sir HENRY DRAYTON: I am beginning to get the drift of my hon. friend's question. Now let us see what there is in it. How many gentlemen in this House think that all the freight from Ontario goes west? I wonder if any of them know how small a proportion

of it does go west, and how large a proportion of it goes right into the towns and cities and villages of Ontario? That is where the bulk of it goes. I wonder if hon. gentlemen are really serious in thinking, for example, that the west is paying the burden of the rate on Ontario butter. The only way they can do it is by eating the butter and paying the bill. There is nothing in that suggestion. It is perfectly true that if the west was the only customer Ontario and Quebec had, the west would then be paying its proportion of those rates; there is no question about that at all. But we all know that that is not the fact, and it is idle to talk of it. If it were the case, why is the west kicking about lower rates in the east? The lower they are, the better for the west in that case, because the west would not have to pay so much for the goods they get from the east. If there is anything in that suggestion, my hon. friends from the west should be cheering for lower rates in the east.

Mr. KENNEDY (Edmonton): Does my hon. friend agree that the farmer in the west pays the freight on machinery and binder twine, for example?

Sir HENRY DRAYTON: Absolutely. My hon. friend is perfectly right. The farmer pays for what he gets just the same as the city man does. It does not matter what province he is in, on anything he buys he always has to pay the freight; and if he is selling, in some circumstances, his price is also affected by the freight in the same way.

Mr. WARNER: He also pays the freight on the products that are sent east, and with which he buys his commodities in the east.

Sir HENRY DRAYTON: I do not know that I would put it in quite that way, because that is not quite the right way of putting it, but we will not get into refinements; we did not have much luck the last time. I think we had better get on.

I am afraid, Mr. Chairman, I cannot compliment my hon. friend the Minister of Railways upon his production. I still think, as I started out, that the right solution is to be found in the amendment read by my hon. friend the leader of the Progressive party, the hon. member for Brandon (Mr. Forke), the resolution which we proposed from this corner of the House. What is more, I think most gentlemen in this House if they were to give voice to their honest convictions, think exactly the same thing. But be that as it may, there is one thing that is absolutely clear, and that is that the present situation is an intolerable situation. Why, we have had turmoil, more or less, in freight matters ever since 1922. We have had confusion worse confounded because this government have put off and put off taking any stand whatever in connection with this matter until the absurdity of it all has got to be such that the absolute burden of it and the dislocation of business is such that something has to be done, and we have this bill brought down in the dying days of the session. I do not think we are doing the right thing. Personally I think the whole matter should be sent to the railway board for consideration. I quite despair of ever having proper consideration given in any debating association such as parliament to such a business matter as freight rates, and I am quite sure hon. gentlemen in their hearts agree with me. It would have been very much better to send the whole question to the railway board; I would like to see the whole question sent to the railway board, I am going to be absolutely sincere with my hon. friend when I say that, my point is, my point always was on the railway board, that it is a matter of national necessity to have a particularly low rate on grain and flour in the west. It is an absolute national necessity: Owing to the distance from market, owing to the long rail haul, it is absolutely necessary that we should have that, but it is also necessary that the whole question should be looked fairly in the face, and that we should know what we are doing. There is no good in fooling ourselves. But failing to have this matter sent properly to the board, why, let us end the present jumble as much as possible; let us end the present unfairness here, there, and everywhere, practically throughout the country.

I would like to point out just one thing to my hon. friends from the west. We in the east have also advantages under this Crowsnest agreement. The town I come from has special advantages under that agreement. We are in a position to under-sell other towns. It is a matter of importance to us, a matter of just as great importance to people doing business there as a favourable freight rate is to anybody else. They have a long haul to look after, and they are in immediate touch with American competition besides their own local competition. But Toronto does not believe in an unfair, discriminatory rate, although she gains by it. Hon. gentlemen may think what they like, but Toronto does not want discrimination in rates. But we have got it. As a result of the judgment of the Supreme court we have got it right up to the hilt, and we are directly helped by it. But we are not looking for any quid pro quo,

9 p.m.

we think more of national equity and justice in connection with this question. Therefore, we think this bill is better than nothing. Failing the absolute repeal of the act, and as apparently this is all we can get, at least we can say for it that it is better than the existing situation.

Hon. J. H. KING (Minister of Public Works): The bill before the House has been under discussion since yesterday, and in introducing it the Minister of Railways (Mr. Graham) outlined the extent to which it will go. It is proposed by this legislation that the restrictions imposed under the Crowsnest pass agreement of 1897 shall be entirely eliminated, except in the case of grain and flour moving east to Fort William in the territory that was previously considered Crowsnest pass territory. My hon. friend, the member for West York (Sir Henry Drayton), who has had great experience and possesses a great knowledge of this matter by reason of his having been formerly chairman of the Board of Railway Commissioners of Canada, has just indicated to the House that the government have probably not gone as far as they should, but still has suggested that it is good business that special consideration should be given to the rates on grain and flour, commodities produced in the western provinces. In fact he has gone further and said that this would be the practice of the railway board and the railways themselves, and I think in that respect he is correct. I think it has been the policy of the railway commission and the railway companies to give special consideration to these commodities which have so much to do with the prosperity of our friends in western Canada and the prosperity of the province of British Columbia. Now, this matter is one of national importance and it is before this House which represents, or should represent national ideas. It is here that, we should settle what is best in the interests of Canada, and not what is best in the interests merely of one particular section or the other. We should review the whole situation—and the railway situation is a very large and important one—and endeavour to come to a right decision from a national standpoint. We should decide what is best to do for the Canadian people as a whole, not what is best to do for the people of Alberta, or Saskatchewan, or British Columbia, or the Maritimes. Have the government presented a fair proposition in connection with this matter? I think they have. I think it is generally conceded that the Crowsnest agreement entered into in 1897 could not in fairness to the railways or to other parts of the country, be continued in full effect. That must be conceded by all hon. members. As my hon. friend from Vancouver Centre (Mr. Stevens) said yesterday, the economic conditions resulting from the war preclude such a course. Therefore at this time it is necessary for us to consider what is best to be done in the interests of Canada.

There are some who say that we should wipe out all restrictions and leave the whole matter to be dealt with by the Board of Railway Commissioners. That would have been a fairly comfortable and easy way out of the situation for the government, and I have little doubt if they had brought down such a policy it would have received the endorsement of the House. However, the government has considered that in the great interior of Canada we have problems that are of interest to the eastern and western portions of the Dominion as well as to the territory directly affected. Consequently special rates have been retained on grain and flour which will be the maximum within the Crowsnest pass territory. The Minister of Railways, when explaining the bill yesterday, said that of necessity these rates should be made applicable not only to lines that were constructed in 1897 but to all lines that are in existence in that area. If the problem is there and has to be met there should be such an extension. We people in British Columbia have some knowledge of the Crowsnest pass agreement. We were told yesterday that the parliament of Canada had voted a subsidy of some $3,000,000 odd for the construction of this road, but that in lieu of that subsidy the Canadian Pacific Railway Company had secured this agreement. But it should not be forgotten that the province of British Columbia was the largest contributor to the construction of this railway. The road was built under what was known as the British Columbia Southern charter, a provincial charter, which gave a very large land grant within the province of British Columbia to the Canadian Pacific Railway Company to construct the road. The $3,000,000 that was voted by parliament, a subsidy at the rate of $11,000 a mile was not the primary consideration. However, we in British Columbia have derived benefits from the construction of the line. It opened up a very rich portion of that province, an area rich in timber, minerals, coal and other resources, and the development of that territory brought prosperity to our province. In fact the construction of the line induced a period of great growth and activity in the

Kootenay country, and did much to recoup the treasury of the province for the obligations which it had undertaken. We have undoubtedly received benefits from that railway construction but it should not be lost sight of that British Columbia was a large contributor in the first place. When the Crowsnest pass agreement was entered into British Columbia was not an exporting province; it was pretty much self contained. It was only after the construction of this railway, that the northwestern provinces and British Columbia felt the life blood stirring in their veins and began to grow and become important provinces in this Dominion. Whether or not the policy of the government of that day was the stimulant that brought about the large immigration into and settlement of the northwest, I am not prepared to say, but I think we can fairly claim that it was a very important contributing factor. Certainly in British Columbia we have enjoyed, to some extent, that settlement and development. Such being the case we are deeply interested in the further development of the central portion of Canada. Personally, from my own experience and knowledge, I believe that we are more deeply interested even than we were in those early days. The opportunities are there, and it should be the policy of this government or of governments that may follow to try and bring about a proper settlement of that great interior portion of Canada. My hon. friend from Mackenzie (Mr. Campbell) made a rather startling statement when he said that there was a group over there who were prepared to cut out entirely any concession given by the Crowsnest pass agreement. If that is so, I wonder if my hon. friend really represents the true thought of that great interior west. If that is true, and if that is the real thought of the interior west, then this problem could be solved very easily as far as this government is concerned.

Mr. GOOD: Did not the hon. member for Mackenzie attach a proviso to that statement?

Mr. KING (Kootenay): What was it?

Mr. GOOD: If he could get a square deal from the railway commission.

Mr. KING (Kootenay): I think I corrected my hon. friend on that, and I told him that I thought he was very unfair in making a statement of that kind. If people in Canada and the House of Commons are to take the position that they cannot get a fair deal from our courts or from public bodies, then we are in a very serious condition.

Mr. MEIGHEN: Has the hon. minister made that representation to his colleague, the Minister of Agriculture?

Mr. KING (Kootenay): I am talking to my hon. friend across the way.

Mr. MEIGHEN: I would advise the hon. minister to take care of his own household first.

Mr. KING (Kootenay): I think there is no need to worry in that regard.

Mr. MEIGHEN: Then he has cured his colleague.

Mr. KING (Kootenay): I accepted a suggestion from an hon. member of this House that he and the body behind him were prepared to cut out all privileges to be derived from the Crowsnest pass agreement, and leave the whole matter as it stands, but I understand he qualifies that with the statement that he has no confidence in the railway commission. That is a matter of opinion. The railway commission in Canada has served a very useful purpose, and we are fortunate at this time as a people that we passed the act in 1903, and that from 1903 onward we have had a specially organized body, and that that body, during the course of some twenty odd years, have been developing a knowledge and information that will make them capable of dealing with the situation with which we are faced to-day.

Mr. KENNEDY (Edmonton): Is the hon. minister aware that the only western representative on the railway commission has been engaged largely in writing dissenting judgments?

Mr. KING (Kootenay): That is always a privilege of a member of the board.

Mr. GARLAND (Bow River): It tells another story.

Mr. GRAHAM: The minority is not always right.

Mr. KING (Kootenay): The minority cannot write judgments and get away with them.

Mr. GRAHAM: They are always sure that their judgments will not come into force.

Mr. MEIGHEN: Then why was he put on the board?

Mr. WARNER: The people of the west certainly have more confidence in the western member than they have in the rest of the board.

Mr. KING (Kootenay): Well, that would be natural.

Mr. GRAHAM: The east has full confidence in the western member of the board. We will be more generous.

Mr. HUDSON: As long as he gives dissenting judgments.

Mr. GRAHAM: We have confidence that he is honest.

Mr. KING (Kootenay): As I have stated already, this legislation will wipe out the Crowsnest Pass Act except the provision applying to grain and flour moving eastward. It was suggested yesterday by some of our British Columbia friends that this would increase or continue the discrimination against British Columbia. I do not agree with that viewpoint. It is true that the people of British Columbia are desirous of seeing grain moved through their territory and through the ports on the Pacific coast. It means increased business through the ports, increased business in the province, and is most desirable. It is of more importance to our friends in Alberta and western Saskatchewan, who are growers of wheat and producers of flour.

Mr. WARNER: Is the hon. member in favour of the same rate being applied to grain and flour carried to the western coast or to Vancouver as is applied to grain coming this way?

Mr. KING (Kootenay): My hon. friend can be assured that I am in favour of that; but I am not sure—and I speak seriously and after great thought and deliberation—that in placing further restrictions upon the board, for the purpose of securing a temporary advantage, I would be serving the best interests of the province of British Columbia. Taking the declaration as made in this bill, the order in council giving directions to the Board of Railway Commissioners, and in addition to that the fact that this great area tributary to the Pacific coast must of necessity adopt the Pacific route, I believe that we in British Columbia and the people of the other provinces will eventually secure that advantage.

Mr. MEIGHEN: Is the minister not aware that his colleague, the Minister of National Defence (Mr. Macdonald) says that the bill does not affect British Columbia at all?

Mr. KING (Kootenay): No, he did not say that.

Mr. MEIGHEN: Yes, four or five times.

Mr. KING (Kootenay): Some of my hon. friends stated yesterday that the bill adversely affected British Columbia, and my colleague stated that it did not affect adversely—

Mr. MEIGHEN: Will the minister permit me to read it?

Mr. KING (Kootenay): I have read it.

Mr. CRERAR: I am very sorry indeed to interrupt my hon. friend, but the matter to which he is referring now is one of very great importance. Would he indicate to the committee what section of the bill we are considering, affects grain rates to Vancouver?

Mr. KING (Kootenay): I will come to that. If the government in their bill had extended the area of the Crowsnest agreement to include Pacific ports it would have been a temporary advantage to the people of British Columbia, but I am not sure that in doing that we would not have created a condition within the minds of the board that would have been a barrier to what British Columbia has been asking for. Under the Crowsnest pass agreement, or the old agreement, there were other commodities than grain and flour products. We find all green and fresh fruits had 33½ per cent advantage travelling from eastern Canada. We find that cordage and binder twine have an advantage of 10 per cent if manufactured in eastern Canada and shipped west. I may tell this committee that we have a cordage factory and a binder twine factory in British Columbia to-day, and also it is the hope of the British Columbia people, and not a vain hope, that we will be able to manufacture agricultural implements in that province.

Mr. CRERAR: All that has nothing to do with grain rates in Alberta.

Mr. MEIGHEN: Will the minister now permit me to read out of Hansard the statement of the minister I referred to a minute ago?

Mr. KING (Kootenay): I will give my right hon. friend an opportunity in a moment.

Mr. MEIGHEN: I knew my hon. friend would not permit me.

Mr. KING (Kootenay): I will give my hon. friend an opportunity.

Mr. MEIGHEN: My hon. friend never will; I knew it.

Mr. KING (Kootenay): I offered it a minute ago. We have, receiving a preference under the old Crowsnest pass agreement, paper for building and roofing, paints of all kinds, live stock, woodenware, household furniture, going west from the east. Under

the present arrangement that inequality is wiped out altogether as regards western Canada. It will now be the business of the railway commission to adjust the rates on those commodities.

Mr. CRERAR: They will go up.

Mr. KING (Kootenay): They may go up. That will depend on the revenues necessary to operate the railways.

Mr. GRAHAM: From the east they may go up.

Mr. CRERAR: That is what I mean.

Mr. GRAHAM: But they will not from the west.

Mr. KING (Kootenay): But there will and should be an equalization, and that is what British Columbia has been striving for. It is true if, in this legislation, without the limiting effects which I fear would result if we extended the Crowsnest pass agreement to the Pacific, we could have had that and this, that would be delightful. But I do not think it would have been wise in the interest of British Columbia to make that statutory. The government has limited the area, and in its limitation has set a maximum rate. That in itself should be an indication to the Board of Railway Commissioners. The government, however, has gone further, and in its order it suggests:

The encouragement of the movement of traffic through Canadian ports.

The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal.

There is a direct reference there to conditions that exist and that are well known to the people of western Canada to-day.

Mr. McQUARRIE: Does the minister anticipate that the Board of Railway Commissioners will give the same rate for grain and flour moving westward as is at present provided under this legislation for grain and flour moving eastward?

Mr. KING (Kootenay): It is not within my province to answer that question any more than it is within the province of my hon. friend. We have to depend upon the judgment and good sense of the Board of Railway Commissioners. If my right hon. friend wishes to ask a question I shall be glad if he will do so.

Mr. MEIGHEN: I did not say that I wanted to ask a question. I said that I wanted to correct the minister. The minister said that his colleague the Minister of National Defence (Mr. Macdonald) had not stated that British Columbia was not affected by this legislation at all. I stated that he had said so more than once. I read from page 4345 of Hansard of last night:

Mr. Macdonald (Pictou): In the first place, my hon. friend would not venture to argue seriously before any court that there is a single word in subsection 6 as originally in the bill that affected British Columbia one way or the other—not within a hundred miles.

Mr. Meighen: Then what part of the bill does affect British Columbia?

Mr. Macdonald (Pictou): No part.

Does that satisfy the minister?

Mr. KING (Kootenay): I think the right hon. member is hardly fair. He is reading one paragraph and drawing conclusions from it.

Mr. MEIGHEN: I will read the same from another paragraph if that will help.

Mr. GRAHAM: It does not touch the point at all.

Mr. MEIGHEN: The Minister of Railways and Canals made an equal mess of it while he was discussing the matter.

Mr. GRAHAM: I am glad my right hon. friend thinks he made a mess of it.

Mr. KING (Kootenay): It was contended by my right hon. friend and his supporters yesterday that this legislation would further discriminate against British Columbia.

Mr. MEIGHEN: That is another point altogether. The minister said that British Columbia was not affected at all.

Mr. CRERAR: If I understand the argument of the minister, it is that British Columbia will derive some benefit from the abolition of these westbound rates that have existed heretofore under the Crowsnest pass agreement, in this way that similar industries such as cordage, glass, and so forth in British Columbia will be put upon a more even basis as to the prairies. What effect will all that have on the prairie consumer?

Mr. KING (Kootenay): I think it would be an advantage to the prairie consumer.

Mr. CRERAR: I am glad the minister is so optimistic.

Mr. KING (Kootenay): At least it cannot hurt him. It gives him another market to buy in.

Mr. CRERAR: At a higher price.

Mr. KING (Kootenay): I think it is well understood in this House that the old Crowsnest pass agreement could not continue. It is obsolete, out of date and not applicable to present day conditions.

Mr. CRERAR: But the prices that the consumer will pay will be higher.

Mr. KING (Kootenay): The prices are all higher and will probably continue to be higher. I do not know that they will be higher on account of British Columbia manufacturers getting into the market. You have a new field and another competitor in the market, so that this should be to the advantage of the purchaser. What I want to make clear and what, I think, in fairness we should make clear is that it is important for the whole of Canada to abolish as far as possible any restriction that will limit the Board of Railway Commissioners in bringing about a readjustment or revision of the railway rates of this country. The government have gone a good way in that regard. My hon. friends opposite think they have gone too far. I do not think so. We have maintained and broadened and fixed in the old Crowsnest area, the broadened area, the maximum on grain and flour. Those are products in which the west is chiefly interested. As I said before, the government deciding upon that policy took into account the importance of that great interior area to the whole of Canada and believed it was in the interest of the whole of Canada to make this concession. Whether we should have gone further or not, I do not know. I think it is a fair concession, and as explained by the Minister of Railways, it should be acceptable to hon. gentlemen opposite.

Mr. McQUARRIE: Has the minister justified the discrimination against the west on grain and flour?

Mr. KING (Kootenay): We are trying to do away with discrimination just now.

Mr. McQUARRIE: How is the government doing that?

Mr. KING (Kootenay): I believe we are going to do it. If we remove the conditions that have been restricting and preventing the board from receiving the representations not only of British Columbia, but of the Maritimes and other provinces, we clear the field for a readjustment of rates.

Mr. McQUARRIE: How do you remove a discrimination by making it worse?

Mr. KING (Kootenay): You do not make it worse. It is easy for one to take the local viewpoint and to develop that for one's own advantage or for the advantage of one's locality. But the problem is too large to be put into that category.

Mr. McQUARRIE: But what is the difference between grain going west and grain going east?

Mr. KING (Kootenay): That matter will be left to the Board of Railway Commissioners, and as I have already stated, the importance to the grain growers in Alberta and western Saskatchewan of the nearby Pacific ports and the necessity of their use by them will, in itself, under the directions that the board have received in the order, of necessity cause the board to consider that question.

Mr. McQUARRIE: Will the minister suggest that the Board of Railway Commissioners by any possibility will make the rates westward the same as the rates eastward?

Mr. KING (Kootenay): There is nothing in the legislation, nothing in the order, to prevent them from making them lower if they feel that is justifiable.

Mr. McQUARRIE: Will the minister suggest that they will do so?

Mr. KING (Kootenay): It is not within my province to say so nor within the province of my hon. friend.

Mr. McQUARRIE: The minister knows perfectly well they will not do it, they never can do it.

Mr. KING (Kootenay): I do not agree with my hon friend at all. I take a different point of view.

Mr. McQUARRIE: With this legislation, that is impossible.

Mr. KING (Kootenay): No, this is not limiting in its effect.

Mr. GRAHAM: It does not limit their power one iota.

Mr. KING (Kootenay): In fact, it rather sets a standard for them to conform to.

Mr. McQUARRIE: Would the minister expect the railway commision to do any such thing?

Mr. KING (Kootenay): I should have the greatest reason to expect that that would be the effect of this legislation.

Mr. CLARK: How are we going to overcome by this legislation the effect of the words contained in the decision of the Supreme Court of Canada:

> Discrimination so authorized by parliament itself cannot be regarded as unjust or prohibited.

How in the face of that decision and under the legislation as it is now framed can you go before the railway commission and allege a discrimination as a ground for lower rates on grain and flour westward?

Mr. GRAHAM: You can get rates without alleging discrimination.

Mr. CLARK: But that ground is removed.

Mr. KING (Kootenay): My hon. friend advanced the same point yesterday and it was fully met by the Minister of National Defence (Mr. Macdonald, Pictou). This legislation does not limit the power of the board in dealing with grain and flour rates, but having fixed a maximum rate it will have a controlling effect generally. That is the only effect it will have. I should think that the parliament of Canada if it adopted this legislation would have indicated to the Board of Railway Commissioners that in its opinion it was in the interests of the people that grain and grain products should have the advantage of the cheapest possible transportation in order that these commodities might be moved to the seaports of Canada for export. That is what is indicated in this legislation and I should think it would be a guiding principle to the commission.

Mr. McQUARRIE: Can the minister justify this legislation in relation to grain and flour going westward?

Mr. KING (Kootenay): Let me read for the benefit of the hon. gentleman the following paragraph from the order in council:

> The committee are further of the opinion that as the production and export of grain and flour forms one of the chief assets of the Dominion, and in order to encourage the further development of the great grain-growing provinces of the west, on which development the future of Canada in large measure depends, it is desirable that the maximum cost of the transportation of these products should be determined and known, and therefore are of opinion that the maximum established for rates on grain and flour, as at present in force under the Crowsnest pass agreement, should not be exceeded.

That is a fair declaration of policy, and it is I think important, in the interests of the country, that the movement of these products to the sea board should be facilitated at the lowest possible cost.

[Mr. J. H. King.]

Mr. McQUARRIE: From the standpoint of British Columbia, how could the fixing of a maximum rate westward for grain and flour injure that province?

Mr. KING (Kootenay): It might not injure British Columbia, but parliament having declared that this should extend into British Columbia it would have a limiting effect on the Board of Railway Commissioners in dealing with traffic which we hope will flow from British Columbia into the prairie provinces. The people of British Columbia, as I have said, are anxious to see the western grain movement facilitated; but we are more anxious to see the elimination of what is known as the mountain scale. I am satisfied that with this legislation, and with the scope of reference to the railway commission cleared up, we may look forward to the day when British Columbia will not be discriminated against as she has been in the past. My hon. friend speaks of the railway commission. Well, he must also remember that there is an appeal from that body. The direction of the government in the order in council is explicit on the matter, and the legislation is also plain and direct. It deals with one phase only of the fixing of rates, and in other respects it removes all limitations that have heretofore been operating against British Columbia, preventing that province from obtaining what it considers its just due.

Mr. McQUARRIE: Does the minister say that it removes all the discriminations against which that province has been fighting?

Mr. KING (Kootenay): I say that it removes from the field the limitations that heretofore have existed and gives to the railway commission full scope to consider properly the claims of British Columbia.

Mr. McQUARRIE: But it leaves a serious discrimination against the western movement of grain.

Mr. KING (Kootenay): There is no discrimination; it is left to the Board of Railway Commissioners to fix what they consider a proper and fair rate on grain moving westward.

Mr. McQUARRIE: Why not do the same with the grain moving eastward?

Mr. KING (Kootenay): For that matter, why not fix a rate on coal moving either eastward or westward? I think our experience yesterday and to-day will show us how utterly absurd such an undertaking would be.

Mr. MEIGHEN: Why start it then?

Mr. KING (Kootenay): I think we have explained fairly why the government have taken this step. I have read the clause in the order in council showing clearly why we have considered this policy essential to the development not only of western Canada but of the Dominion as a whole. Now, my hon. friend from North Vancouver yesterday referred to the Vancouver Sun of June 6 and intimated that I had said so and so. Let me say in reply that I am no more responsible for what appears in the press than he is himself. I find in the same issue of the Sun that the hon. member is reported as expressing unqualified approval of the government policy. He is also reported as saying:

> The recommendation to the railway commissioners to hold thorough investigation into traffic east and west via the Panama is sound. The whole freight rates structure should be revamped on distribution from both Atlantic and Pacific sea-board inward.

That is what the government has in view.

Mr. CLARK: The minister referred to the member for "North Vancouver." That happens to be in my constituency and I want to say that I gave no such interview as the minister attributes to me.

Mr. KING (Kootenay): I meant the hon. member for Centre Vancouver (Mr. Stevens). But I would refer the hon. gentleman (Mr. Clark) to his own statement. He said that Saskatchewan and Alberta would pay nearly double the rate under this legislation that they would pay to Buffalo and New York. My hon. friend was not serious when he made that statement. He knows where the dividing line is in Alberta; and under the adjustments that have taken place since 1922 one-fourth of the discrimination has been wiped out, and to-day there are points in Alberta that have a preference and will continue to have a preference to the ports of the Pacific. As the discriminations are removed that line will move further eastward. But my hon. friend could not successfully contend for one moment that wheat moving from Alberta or Saskatchewan to the Pacific coast would pay double the rate applicable to wheat moving to Buffalo or New York, although he made that statement yesterday.

Mr. CLARK: Is it not a fact that the rate on wheat from Edmonton to Fort William is practically the same as from Edmonton to Vancouver?

Mr. KING (Kootenay): I think there is a difference of three to five cents per hundred pounds.

Mr. CLARK: One cent difference?

Mr. KING (Kootenay): No, more than that.

Mr. MALCOLM: The difference is two and a half cents—22½ against 25.

Mr. KING (Kootenay): There is a preference there anyway and we can come as far east as Medicine Hat at the present time. This question is not only of interest to British Columbia and to the prairie provinces, but to the whole of Canada, and I believe that under the policy laid down by the government an opportunity will be given the railway board to effect an equalization of freight rates by building up a new rate structure that will enure to the advantage of the whole Dominion.

Mr. McCONICA: Mr. Chairman, I have no desire to prolong this debate, but I should like to say one or two things in reference to some of the statements made yesterday. Some hon. members seem to be under the impression that the government by this legislation is fixing freight rates. Nothing of the kind is taking place. The rates on grain and flour are fixed by the Crowsnest pass agreement—a contract that was entered into almost thirty years ago, a contract that was duly signed and delivered, the consideration for which was fully paid by the people of Canada. That contract was made by the parliament of Canada with the railway company, but parliament acted in a representative capacity, the real party in interest being the people of Canada. The people paid the money, the people acquired the rights—rights that were vested not in the parliament but in the people of Canada. That contract should be regarded as sacred. I spent some fifty years or more of my life in a country where no power could abrogate a contract without the consent of the parties interested. There is no such power vested in the president or in congress or in all the courts of the United States, nor can all these combined annul or modify in the slightest degree the contract rights of the humblest citizen of that republic. Contracts should be regarded as sacred. Now, western Canada and eastern Canada are interested in a contract—a contract that was paid for, a contract that has stood for nearly thirty years—and we in western Canada insist that that contract shall be duly recognized. I believe the people are entitled to that consideration. It is not a proper thing to tear up the contract without the consent of the people, and I submit that no man in this House has any mandate from their electors to destroy the Crowsnest pass agreement. We

from the west were instructed to see that it was reinstated, and we thought we had succeeded, but it has been so seriously modified by the Supreme court that it is hardly recognizable.

In the course of this debate yesterday it was said that the parties were willing to rescind this contract. I deny that assertion. The people of the west are not ready to rescind it, and they are the real parties in interest. They are clamouring against a rescision, they are insisting that the contract be carried out and that the railroad company should be held to its agreement. It was suggested yesterday by the member for West Calgary (Mr. Shaw) that the Board of Railway Commisisoners were handicapped by the water rates and consequently were not able to raise the railway rates indiscriminately in the east. That is true no doubt. They are not only handicapped by that factor, but they are handicapped by another—a contract with the Canadian Pacific railway that the company shall have a 10 per cent dividend. That is one of the things they must insist on—and they seem very willing to insist on it. Now, where is that 10 per cent dividend to come from if freight rates cannot be raised in the east? It will come from the west. For that reason we need some safeguard, we have that safeguard in the Crowsnest pass agreement, and we insist on retaining it.

It is suggested that this arrangement does not give rates on westbound traffic to the Pacific coast. Of course it does not. But it does give to our British Columbia friends the right to ship their wheat to Fort William if they want to, there is no discrimination against them in that regard, and they can ship east under the agreement just as we do. So I say they are not discriminated against. Of course, statutory rates for westbound traffic could be enacted, but such rates are not favoured, and the rates under the Crowsnest pass agreement are not statutory rates. It may be suggested that the agreement has been extended to take in additional territory since the Supreme court decision was rendered. That is true, but it is for the purpose of preventing discrimination. That decision merely extends the Crowsnest pass rates to the territory where they were in force before the agreement was tinkered with by the former government. Its application has been extended only as far as it extended prior to that catastrophe to our Crowsnest pass agreement. But that extension is not a fixing of rates; the agreement fixes the rates; the Supreme court merely fixed the bounds of the extension.

[Mr. McConica.]

Now, what position do we in the west find ourselves in? We are getting some things that we did not have; we are losing some things that we did have. We are losing the westbound rates on various commodities, and we deplore that fact. We insist that parliament has no right to do that thing, we insist that we are entitled to the Crowsnest pass agreement. But we are making a sort of trade it seems—not very willingly on our part. For instance, under the Supreme court decision there is not a point in my constituency that would derive a dollar's benefit from the Crowsnest pass agreement; we would not get it on the westbound nor on the eastbound traffic.

Mr. GARLAND (Bow River): The hon. member states that we are trading. Is it true we are trading, or it is not rather that the trade is being tendered to us?

Mr. McCONICA: It is being forced upon us. I repeat, under the Crowsnest pass agreement, as construed by the Supreme court, there is not a point in the Battleford constituency where we will have the benefit of one penny on the rates westbound or eastbound. The new arrangement on wheat and flour will extend to all points in that constituency, so that I am not sure but what we are getting a better trade. But I do not like the principle of it. I do not believe anybody has the right to take that agreement away from us without our consent. I therefore insist that we return to the Crowsnest pass agreement and make it applicable as it was before it was tinkered with by the former government. That is the position I think the government should take, and with that position the west will be entirely satisfied.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): One can usually depend on getting the standard Liberal doctrine and Liberal argument from the hon. member for Battleford (Mr. McConica), but this evening he diverged. I cannot say that he presented anything worse than what the government has presented from the beginning of this debate, but at last he broke his record and swerved a little from the straight and narrow path of the Liberal government. His tenderness for a contract is really pathetic. He never wants a contract broken unless it is in favour of himself, but then he is quite ready to weigh the merits of the change and assume the whole responsibility for it.

The railway rates question is before us again, and we have need to have it before us. I do not think there ever was anything demanding solution more urgently than this

question has for many months gone by. It has seemed a very strange thing that while parliament was being served up with all sorts of little tinkering legislation and every manner of bill, occupying the time of the members week after week, the business of the country was allowed to wrestle with a condition of turmoil and chaos, and no remedy at all provided. We had to wait till the very eve of prorogation, till within a few days of the close, to enable the government to come down with this legislation. All the facts for that legislation, all the data, were before them months ago. There was nothing they could possibly have been waiting for. All they were waiting for was a time fit and proper to try to get it through, and in their wisdom they considered the last hurried hours of the session would be the best.

Mr. HOEY: The Saskatchewan election may have been a factor.

Mr. MEIGHEN: And I presume, as well, the synchronism of the Saskatchewan election may have affected their politically-minded policies.

Mr. GRAHAM: Where did I hear that word before?

Mr. MEIGHEN: I think it was from the Minister of Railways.

Mr. GRAHAM: I think it was the Minister of Finance in my hon. friend's government.

Mr. MEIGHEN: Mr. Chairman, this is a piece of floundering and irrational legislation. It had to be so. The government had to bring in something of this kind, or completely swallow the position they took two years ago. It is because they got into the mire two years ago that they have to come to parliament for legislation now, and it is because they are not willing to reverse an unsound step they took two years ago that they have to bring in legislation of this kind

I felt rather sorry for the Minister of Public Works (Mr. King) in the course of his speech. I do not think he made much of a presentation, but he did the best he could, and I do not know that anybody could have done any better who had been a minister and whose province had been treated by his colleagues the way the Minister of Public Works and his province have been treated in this legislation. I did not expect to see the radiant smile that we were told beamed over his countenance when interviewed by the newspaper reporter after the order in council which preceded this legislation was announced to the public. The radiant smile I knew would not be there. Instead, he reminded me of nothing so much as a man trying to race as fast as he could through a bog, and the speed that he managed to acquire was not very much.

After all, there should not be any great difficulty for this parliament in determining its course as regards the railway rates. The policy of Canada was determined upon in this respect years ago. Always, ever since we have had a parliament, the right, of course, to fix rates, or to determine the principles upon which rates should be fixed, or both, has resided in the parliament of Canada in so far as Dominion railways are concerned. We have always had that. We could do it by legislation or by the creation of a body, a committee of the Privy Council or otherwise. We could do it through any agency we wished, or we could do it by bargain, if we liked, with the railway company. The jurisdiction has always been ours. The bargain with the railway company really meant nothing, for the reason that whether the railway company consented or not, we always had power to enforce it by statute if we wanted. The control has been ours. The problem that faced us has been: How should we exercise it?

First of all, it was exercised through a committee of the Privy Council for many years, enabled to do so by statute of parliament. This was changed in 1903, and a judicial body was created. That judicial body was entrusted, subject to certain underlying principles defined by parliament, to fix all rates in this country. That body, the railway commission, has functioned as a judicial body ever since. It functioned unhampered although there was existing an agreement that had not been removed, but an agreement that was quiescent, ineffective, because its terms had become obsolete and were not necessary for the day. The railway commission operated unhampered until this government came into power. Then pressure was brought to bear from a section of Canada to interfere, to alter the course which had been pursued. Conditions had arisen which brought into being again the bones of that old agreement, conditions which were due to the war—rising rates, rising costs, rising wages all over this country—and the agreement was suspended by the then government. It was a matter the disposal of which could wait, and well wait, more peaceful and quiet times. The suspension terminated in 1922, and then it was this government came upon the scene.

Before I proceed to review what they did, I want to say something as to the wisdom of the plan which had up to then been followed. Parliament had never surrendered, never could surrender even if it tried, its rights to define the underlying principles upon which this court, as any court, should act. The Prime Minister has boasted that parliament would never give up that right. The boast is a very safe one, because parliament never could give up that right, no matter how it tried. We always attempted to define those principles, did the best we could that way. They were defined in the original railway act. That act, as all succeeding acts, contained one principle, that there should be no undue discrimination. Attempts were made repeatedly to have the word "undue" removed. Circumstances rendered it impossible to bring about the state of affairs where the word "undue" could with safety be removed. It never was removed.

10 p.m.

Other principles were laid down. They have been changed from time to time, but very little. It may be that even to-day circumstances arise which would justify parliament in altering those principles in some degree. But the duty of parliament to define them is clear. That is the function of parliament. That, until 1922, was the exclusive function and the exclusive practice of parliament. Now, in 1922, something in the way of diversion was indulged in by this government. In 1922 they decided that the provisions of the old Crowsnest pass agreement should be, in part, retained for two more years—renewed for one year and subject to renewal by order in council for another. This was pressed upon them by representatives of western Canada. Those representatives felt that if they could succeed in their efforts it would mean lower rates for those whom they represented. From one point of view this attitude cannot be complained of. From another point of view I think it can. There is no section of Canada that is not interested in low freight rates. Certainly no one would argue that the lowest possible freight rates are not of benefit to every occupation and every industry. It is axiomatic, it is merely platitudinous to be arguing for low freight rates. We all want that. I do not know anyone probably more anxious than the Minister of Railways; but the Minister of Railways is in power, and has to take a different view from those who are not in power and have no responsibility. Those who have responsibility know that there is a certain distance down that you can go, and you cannot go any farther. It does not matter whether you are animated by a feeling of hostility to the railway system, or a feeling of sympathy. The railways are part of Canada. They will not operate unless there is something in the operation; otherwise the whole structure will crash. When we are faced to-day with the situation where our railway rates in one year, the twelve months gone by, have declined by over $49,000,000 it is worth while for serious minded people to stop and think and, at least, to realize that there is a certain general level towards which you can approximate and below which you cannot go except at the expense of bringing to poverty all those who thought they would be benefited as well as everybody else.

Pressure was brought to bear then to restore a portion of this agreement. Now, the hon. member for Battleford—and in this he does not differ much from many others whom I have had the privilege of listening to—protests that there is an agreement. We are not now and we have not been in the past fixing rates at all in this parliament, we are only paying that reverence to a signed, sealed and delivered contract that all honourable men are bound to pay. It is not that he would ever think of asking parliament to fix special rates for his district. No, he would never dream of that. But there is that agreement, we have got to abide by it. Let us examine that argument. Certainly if two men, or two governments, two corporations, two entities of any kind, make a contract no one of them can relieve themselves of it or any part of it honourably except with the consent of the other. If there are any other law binding contracts—that is contracts of honour or of legal sanction—I do not know what they are. No one of the parties to a contract can subtract from its provisions save with the approval or the consent of the other; but if the other agrees then certainly there is nothing in the world to restrain them, or if the other violates the contract then the second man is free.

Now what is the history of this contract? In 1898 the government of Canada, on behalf of the whole people of the Dominion, agreed with the Canadian Pacific Railway Company to give them a certain amount of money for some branch line railway, and the Canadian Pacific Railway Company in turn agreed that on certain freights—some going east and some going west—a reduction of fixed percentages would be made and the figures then arrived

at would be maximum. Such was the contract. I do not doubt that from that day to this the Canadian Pacific would have been quite ready to have been relieved of all obligations in respect of the rates. Nobody would question that—they are not fools. That they would be quite ready there is no doubt. Therefore there never has been any matter of honour involved at all. We always could recede from that contract if the other party would be quite ready to recede. There has never been any matter of honour involved, any matter of contractual obligation as far as we are concerned at all. Certainly we have always been in a position—the government of Canada and the parliament of Canada—to enforce the provisions against the railway company. For that matter we might have enforced them without any contract at all; we could have legislated those rates in this parliament and never been dependent upon our contract. The point I am on is this: When you are saying that a contract is sacred and you must abide by it, that holds only as long as the other party holds you to it, so far as honour goes. But you say, "There is a question of interest." Of course there is. The people of Canada, the government of Canada and the parliament of Canada should adhere to it just so long as it is in the interest of the people they represent; and once it appears that the adherence is no longer in the interest of the people they represent then I want to affirm it is the duty of the parliament of Canada—there being no holding to the contract on the other side—to change it. Now, if there is anything wrong with this reasoning, if there is a suggestion that I have strayed from the true path in reasoning, I should like to hear what it is. What I am trying to establish is this: That all we have ever had to review or consider has been and is today whether it is in the interests of the Canadian people that the contract be adhered to or that other rates, or another principle of fixing rates be established. So that all this reference to the contract is humbug—humbug and nothing else—simply set up as an excuse to affirm special rights on the part of the parliament of Canada.

Mr. WARNER: Would the right hon. gentleman assume that we have had a mandate from the people of Canada to change this contract?

Mr. MEIGHEN: We have a mandate from the people of Canada to do whatever is in the interests of the Canadian people. I have not started yet to argue whether it is in the interests of the Canadian people or whether it is not; what I say is there has never been any vested right on the part of anyone in this contract the moment it appears that it is not in the interest of the whole people of Canada. That is all I have sought to convince this House of. If there were some other parties to the contract besides Canada on the one hand and the Canadian Pacific on the other—if there was a third party or a fourth party, then they would have rights too, but is there? If so, who is the third party? Canada is one, the Canadian Pacific is the other, who is the third? If any third party was in the contract at all he would have to show first consideration; but there is no third party in it, there is nobody else a party to it at all. If the three western provinces had been in the consideration given then this parliament would have no right to set aside the contract except at the price of compensation to those provinces. But that is not the condition.

Mr. CRERAR: Would the statement or assertion that the right hon. gentleman has made apply for instance to the Manitoba contract regulating rates, that was made with the old Canadian Northern Railway Company by the late Roblin government?

Mr. MEIGHEN: No it would not apply; my argument would have no application whatever. Were I standing in the Manitoba legislature and arguing as to the duty of that legislature, I would argue just the same. I would say if the other party is ready to waive it, all you have to consider is the interests of the people of Canada. You can waive it as soon as you feel it is in their interests. But I cannot. I am in the parliament of Canada. The parties to that contract were the Canadian Northern and the government of Manitoba, and this parliament takes a very serious step when it wipes out a contract between other parties and assumes no responsibility for compensation.

Mr. FORKE: This was a bargain that was made between the parliament of Canada and the Canadian Pacific Railway that was supposed to be in the interests of the three prairie provinces. Does not the hon. leader of the opposition believe that this parliament has some duty to see that these benefits are still conferred upon those provinces?

Mr. MEIGHEN: This parliament's duty is to the whole of Canada. Our duty is to the three prairie provinces just as much and just as directly as to any other provinces of the country. But the three prairie provinces, while they may have been the special beneficiaries of the original contract, were in

no way parties to the contract and had no special rights under it. They were special beneficiaries, perhaps, although the Minister of Public Works in his desire to square himself with British Columbia, argued to-night, rather circuitously, I admit, that British Columbia was a beneficiary too; and indeed the Minister of Railways argued, likely for some similar purpose, that the rest of the country was a beneficiary. Perhaps in a sense everybody was a beneficiary. I frankly admit that the three prairie provinces were the principal beneficiaries. But the fact that this government enters into an arrangement especially beneficial to one party does not give that party a better right than all the rest of the country to review the general merits of the contract. Every part of this country has just the same right to review entirely the general merits from the standpoint of the whole people as have the representatives of the provinces of western Canada, and I am not saying this merely because I am standing now at a considerable distance from the taxpayers of those provinces. I have said this right on the plains, and I do not see for the life of me how any other line of reasoning can be followed.

Such is the position, as I understand it, of the contract itself. We have to consider, as we had to consider two years ago, whether it is in the interests of those for whom we are trustees, the whole people of this Dominion to maintain that contract as an integral and solemn pact. Is there one hon. member in this House who will suggest for one minute that it is? I am in the presence of men who I know would suggest it, if nothing restrained them except bashfulness and timidity. There is nobody who would suggest the enforcement of that contract, as the contract is now interpreted at least, and as the contract was understood by this House three years ago, though perhaps a different interpretation. In every aspect of this question, there is no member of this House who would suggest that you could enforce that contract in the interests of the people of Canada. The hon. member for North Battleford (Mr. Davies) says the contract has been so changed by the Supreme court that you cannot recognize it now at all. Whatever else we may say about the hon. member for North Battleford, we can say for him that he has a mind of his own. He is not a lawyer, but has commonsense. I ask him, did he ever hear in his life of the courts changing a contract? That is not what the courts are for. If the Supreme court changed this contract, I think he had better set to work by some means or other and get rid of the Supreme court. All the Supreme court had any right to do, and all it was asked to do was, to tell us what the contract meant. The Supreme court told us the contract meant such a thing and no more. For the hon. member to argue that we are justified in tinkering with its terms, and shutting this out or taking that in because it has been mutilated by the Supreme court, is to suggest something to this House that does no credit to his recognized intelligence. All we have now as the result of the government's action is a court decision as to what it means. I do not think we needed that decision. I do not think it mattered a whit whether the contract meant what the court said it meant, or whether the contract meant what the majority of the House said it meant two years ago. Taking it either one way or the other, you cannot enforce it in this country. The government, acting in the interests of the people, has to fall away from the contract and is bound to. It fell away two years ago when neither the government nor this House thought the contract had the strict interpretation which the Supreme court thought it had. The fact of the matter is that twenty-five years have so disturbed the current of trade in Canada, and have so altered the whole trend of prices in Canada, that the contract to-day is an absurdity. The contract to-day, instead of contributing to equalization, overthrows every possibility of equalization. It defies every principle on which any rate structure can be based. Is that true or is it an exaggeration? Nobody in the House has claimed otherwise. The Minister of Railways admits it. He expounds it. The Minister of National Defence did the same. I have heard member after member stand up and say the same thing. If that is the case, is it in the interests of the people of Canada that we stand on our rights under the contract? Surely now I am in a position where I can say that parliament is free. Surely I am now in the position where I can say that it is parliament's duty to turn its back upon that contract. The minister says, "Oh, we will keep part of it." Have we any right to keep a part of it and to throw the rest away? If so, where do we get the right? Whoever heard of a contractor assuming to himself the right to do what he liked with part of the contract and put the rest in the wastepaper basket?

Mr. GOULD: Did the right hon. member anticipate this day of debate when he or his government allowed the suspension of the Crowsnest pass agreement under the War Measures Act?

Mr. MEIGHEN: No, we had no prophetic powers. I do not think we would have even prophesied that hon. members opposite would be in the treasury benches, but if we had so prophesied we would never have thought that they would have done this. We suspended the agreement in order that the whole question could be reviewed at a time when such questions would more appropriately come up.

Mr. WARNER: Is it not a fact that parliament did, as far as they were concerned, abrogate the agreement, and the Senate said no?

Mr. MEIGHEN: I have not heard of that. If that is history I have never read that portion of our history.

Mr. WARNER: I understood that the Senate was the body that saved the contract and suspended it for three years.

Mr. MEIGHEN: That may possibly be. It does not matter at all to the argument. That would only mean that the Senate decided there should be a time for review later. If so, it means that still less of the responsibility for the suspension instead of abrogation would rest on me, and to that extent I am grateful to the hon. gentleman from Strathcona for mentioning the matter.

I was dealing with that phase of the question as to our right to pick and choose among the clauses of the contract, and then to justify our conduct to-day in relation to that contract. I appeal to the hon. member for Brome (Mr. McMaster), did he ever in his life hear of anything more absurd? It may be the duty of parliament to fix special rates in this House, and I will argue that in a minute. But for goodness' sake, if it is our duty to do so, let us manfully do it and do not let us get behind the shadow of a dead contract, a contract that we proclaim ourselves we cannot possibly adhere to and that the other party to the contract also wants to abandon.

Mr. WARNER: If the people of Canada had been satisfied with the right hon. gentleman's work as regards the suspension of the Crowsnest pass agreement and other things, would he not be back here as Prime Minister instead of as leader of the opposition?

Mr. MEIGHEN: My mind is much in the same channel as that of the hon. member for Strathcona. That, I think, is also an irremediable disaster. I have come to the point now whether or not there are such circumstances as would make it the part of wisdom for this parliament to vary the course pursued for years and, in respect of certain commodities, to fix a certain rate. It would take, hon. gentlemen will admit, a very strong argument, to justify such a variation. It would take very extraordinary circumstances to justify it. I have tried to listen to those who contend that such is our duty. One says: It is essential for the west; we must have lower rates there in order to function. I know it is very essential for the west to have low rates, but I do not see that it is any more essential for them than it is for the Maritime provinces or for British Columbia to have low rates. It is essential for all of us to have low rates. Others say: Well, in the west we are not sure of low rates, because in the east they have water competition which is a factor in determining rates, and consquently there is likely to be too big a burden put upon us. You can point to similar conditions in all parts of Canada. You can point to many another part of this country where there is no water competition. Is parliament going to assume the duty of legislating rates in this House everywhere except where there is water competition? If we are not, how are we going to justify doing it for one section of the country?

Mr. HOEY: Because of the volume of freight in the west.

Mr. MEIGHEN: Is it to be assumed that we have a railway commission which will be quite competent to decide the right rate if there is not very much freight to carry, but which is not competent to take into account this question of water competition where there is a large volume of traffic?

Mr. HOEY: But their decision would not be so satisfactory.

Mr. MEIGHEN: Naturally, if the people of one section can get parliament to act towards them in one way and towards the people of the rest of the country in another way, I have no doubt they will be happy. I am surprised to hear this advanced by my hon. friends from the west. Have they not drunk the milk of wisdom from that periodical, the Grain Growers' Guide? Have they not stuck to the bosom of that journal for years and preached from every platform that special privilege must go? How then can they come to this parliament and proclaim in this debate that they are the sworn foes of special privilege in every case except where they are the beneficiaries themselves?

Mr. HOEY: We do not admit that the Crowsnest pass agreement on grain and flour would confer a special privilege on us.

Mr. MEIGHEN: If it does not, if there is nothing special desired, how is it that my hon. friends cannot depend upon the railway commission to give them what is fair along with the rest of Canada?

Mr. WARNER: On what has happened in the past we are basing our judgment as regards the future.

Mr. MEIGHEN: If the railway commission is not good enough for the west, how can hon. members say in this House that it is good enough for the Maritime provinces and British Columbia?

Mr. WARNER: We do not.

Mr. MEIGHEN: Then the hon. gentleman here is ready to abolish the railway commission and to fix rates in parliament.

Mr. CRERAR: Where does the special privilege exist under the Crowsnest pass agreement?

Mr. MEIGHEN: If there is none—

Mr. CRERAR: May I interject a remark? My right hon. friend made the assertion that there was a special privilege under the Crowsnest pass agreement.

Mr. MEIGHEN: Certainly I did, because nobody in this House would be demanding it if there was not.

Mr. CRERAR: Wherein does the special privilege exist?

Mr. MEIGHEN: Because parliament is fixing maximum rates. It is always a special privilege to have maximum rates fixed. I do not say that it is not a good thing; but if it is a good thing for one part of the country, it is a good thing for another, and if one part gets it and another does not, it is a special privilege.

Mr. KENNEDY (Edmonton): Where does the special privilege arise in view of the repeated statements of the Board of Railway Commissioners that rates in the west have been higher than they were in the east generally? They have made that statement repeatedly and I will read them to the right hon. gentleman to-morrow.

Mr. MEIGHEN: The hon. gentleman is still on a worse corn than he was at first if that is the case. If there is no special privilege at all, and if all other rates are put on a parity with Crowsnest pass rates, then why ask for legislation?

[Mr. Hoey.]

Mr. KENNEDY (Edmonton): That is not the point. The right hon. gentleman says that the Crowsnest pass agreement is giving a special privilege.

Mr. MEIGHEN: The railway commission has never held that there is discrimination against the west. The railway commission do not hold any such view, because it is instructed by the law of Canada to remove any discrimination that can be removed. The head of the Canadian National Railways, not two weeks ago and not a hundred yards from this place, declared that grain rates in western Canada were 50 per cent lower than corresponding grain rates in the United States.

Mr. KENNEDY (Edmonton): That does not affect the matter.

Mr. MEIGHEN: Not only that but the head of the other railway said so also. But that is not the point. The point is this, that if the Crowsnest pass rates are only rates of a level that could prevail over the whole country, as the hon. gentleman wants the House to understand, why does he fear that the Crowsnest rates will not be maintained if the railway commission is allowed to deal with them?

Mr. HOEY: For protection, because of the absence of water competition.

Mr. MEIGHEN: Will the hon. gentleman do this also for every part that has not water competition?

Mr. HOEY: No, because they are not so vitally concerned.

Mr. MEIGHEN: They are not? They are just as vitally concerned as any other part. How does the hon. member think he is in a special place of danger?

Mr. HOEY: Will the right hon. member name any territory as vast?

Mr. MEIGHEN: The central part of British Columbia.

Mr. HOEY: There are no people there.

Mr. MEIGHEN: There will not be any people if other people are getting all the advantages over them. There are people in the inland parts of Ontario and Quebec that are not affected by water competition in the slightest, larger populations than the whole of the west. Hon. gentlemen have been simply covering themselves with feathers on this matter. They have no case to stand on at all. I do not believe if the people from

western Canada let the whole Crowsnest pass rates go and allowed the railway commission a free hand that, in the course of a very short time, there would be any higher rates than there are to-day.

Mr. MORRISON: How is it that the railways are so anxious to get this Crowsnest pass agreement abolished?

Mr. MEIGHEN: Anybody would be anxious to get it abolished.

Mr. MORRISON: So that they would be able to get higher rates. Everybody knows that.

Mr. MEIGHEN: The railways cannot give in other parts of Canada the rates which they could give if the railway commission had a free hand.

Mr. WARNER: Does that not mean that the west would pay the difference?

Mr. MEIGHEN: There are undoubtedly portions of the west to-day that, in my judgment, are paying under the Crowsnest pass agreement lower rates than they would pay otherwise, but the great part of the west, I believe, are not, and that is shown by the offer of the railways two years ago before the committee. The point is this: If they are not higher than is fair, than the railway commission would fix, why in the world are hon. gentlemen asking for the continuance of this agreement? Is not the railway commission competent to take these matters into consideration? Let me put the position in this way to hon. gentlemen. If some special consideration should be given to the absence of water competition, is it not the right and the proper function of parliament to declare what that consideration should be, to lay down a principle governing the matter, and to direct the railway commission to follow that principle? Is not that the right course for parliament to pursue?

Mr. MORRISON: And what else does the Crowsnest agreement do?

Mr. MEIGHEN: The Crowsnest agreement does not fix any principle; it is merely the application of a schedule fixed by parliament. It is a wholly different thing. This parliament might perhaps be moved to give to all portions of Canada which lack water competition some special advantage. Very well; declare that principle and embody it in your law. That is the function of parliament. But when a certain section come to the government and say, "We want you to fix rates along this schedule for us because we will not depend upon the railway commission, believing that the commission has no regard for our interests at all"—then hon. gentlemen cannot ask the representatives of other parts of the country to abide under the jurisdiction of a tribunal in which they have no confidence themselves.

Mr. CRERAR: Would the right hon. gentleman support that suggestion?

Mr. MEIGHEN: Well, I would need to see how the law was put into effect. I have never subscribed to the suggestion, but I do say that those who subscribe to it, believing that the inland parts of Canada should have some special advantage, should see to it that this principle is embodied in our law and that the railway commission shall be instructed to apply it. That at any rate is the course they should advocate.

Mr. GOULD: Would the right hon. gentleman argue that the people of the west had no need for concern after the action of the railway commission last fall in abrogating the Crowsnest agreement, in regard to which there was dissension among the members of the board itself?

Mr. MEIGHEN: If the west has need for concern because of any action the railway commission may have taken, then the whole of Canada should be concerned. Hon. gentlemen should be equally solicitous for other parts of the country as they are for themselves, and that is the contention I am advancing. Now, what is to be the attitude of hon. gentlemen towards the representatives of British Columbia? And I take British Columbia only by way of illustration. The Maritime provinces have just as insuperable and invincible an attack against the measure as has British Columbia, and I do not see how any member of this House can go to the Maritime provinces and defend before the people there a vote in support of this legislation. Here is British Columbia declaring, "You give our competitors to the east certain rates, while our rates are such and such a percentage higher. We now call upon you to give equal rates to these commodities going westward." And what does the government say in reply? They say, "Well, we have a pious aspiration in an order in council, and we have conveyed the same pious aspiration to the railway commission, that they will do something in the matter." The minister from that province has expressed a rather lively hope to-night that they will. But how is it that the representatives of British Columbia must rest on a mere pious aspiration while the representatives of three other provinces rest on solid law? Is that fair or just? Is that

going to contribute to the unity of the country? British Columbia under this legislation is worse off than it was before. When it comes before the railway commission now it is faced among other things with the railway returns, which are affected by this pact. This pact now is extended over the whole northern area, and in the words of the Minister of National Defence (Mr. Macdonald, Pictou) it is now three times what it was by law in the prairie provinces. By law, under this supposedly sacred contract, it covered only thirty-five per cent of what it does to-day, and therefore the whole earnings are affected. When therefore British Columbia comes before the commission it will be told that any reduction is impossible in view of these earnings.

Mr. WARNER: Is the right hon. gentleman in favour of extending to British Columbia the privileges which we have under the Crowsnest pass agreement?

Mr. MEIGHEN: I would extend them to the whole of Canada if we could keep the railways going; and so would the railway commission. It is easy for hon. members to get up and say that they are in favour of lower rates here and lower rates there. Hon. gentlemen are safe in doing so so long as they know they will not be in office. But those who are in office must keep the railways functioning.

Mr. WARNER: If the leader of the opposition looked at the matter fairly, would he not give British Columbia the same treatment as is given to other places?

Mr. MEIGHEN: That is what I am pleading for.

Mr. WARNER: And that is what we are ready to do.

Mr. MEIGHEN: I say, do for British Columbia what you do for any other part of the country. But if you cannot do it for British Columbia, for the Maritime provinces, for Quebec and Ontario, you should not do it for any other section of the Dominion.

Mr. KENNEDY (Edmonton): Does the hon. gentleman suggest that the rates in the Maritime provinces are higher than the Crowsnest rates in the west?

Mr. MEIGHEN: If I were an expert on freight rates I should be on the railway commission and not here.

Mr. KENNEDY (Edmonton): Will the hon. gentleman take the word of the railway commission?

[Mr. Meighen.]

Mr. MEIGHEN: I will take the word of the railway commission for the facts as they relate to the west as well as to the east. The trouble is that hon. gentlemen are ready to take the railway commission as an authority for every part of Canada but their own. Again I address myself to the position of hon. gentlemen in relation to British Columbia. British Columbia will have to be denied redress; at least the denial will now be more forceful than ever because of the extended effect of this agreement. Yet the minister from British Columbia wore a radiant smile, according to the newspapers, when he thought of the great victory he had achieved because of this legislation. Here is the order in council. It preceded the legislation in order that its publicity would precede the publicity of the legislation; because the order in council has no virtue on earth except from the standpoint of publicity. It has no virtue at all except as propaganda; it is just so much eye-wash, just froth and foam. That is all it is. First of all it is a piece of literature and history; it recites the verdict of the court and all that sort of thing, and the only part that has even the appearance of meaning anything is the last page. I quote from that page the following:

The committee therefore advise that the board be directed to make a thorough investigation of the rate structures of railways and railway companies—

That "rate structures" is the new phrase of this government; it has supplanted all the other favourites that have done duty so long.

—subject to the jurisdiction of parliament, with a view to the establishment of a fair and reasonable rate structure, which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, so as to permit of the freest possible interchange of commodities between the various provinces and territories of the Dominion and the expansion of its trade, both foreign and domestic, having due regard to the needs of its agricultural and other basic industries,—

How novel, how revolutionary that suggestion is.

--and in particular to:

(a) The claim asserted on behalf of the Maritime provinces that they are entitled to the restoration of the rate basis which they enjoyed prior to 1919;

(b) The encouragement of the movement of traffic through Canadian ports;

(c) The increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal.

Do hon. gentlemen get the full effect of that? The government says to the railway commission, "We have tied your hands to a certain section of the Crowsnest pass agreement; we have tied them by an act of parliament.

Now we tell you to go to work and devise a fair and reasonable rate structure; and when you are doing that, you might be good enough to have regard to the claim asserted by those representing the Maritime provinces that they have certain rights." Is there any principle there defined upon which the railway commission can act? None whatever. There is just a dodging of principle, that is all. Having regard to a claim asserted—no expression that there is anything in the claim, not a suggestion of it. Does anybody imagine that they have not had regard to that claim before? What is next?

Having regard to the necessity of encouraging the movement of traffic through Canadian ports.

If there is a member of the commission that has failed to have regard to that in all his work up to date, then the statute should be repealed so that he could be got rid of and another commissioner appointed in his place. The same is true of the last paragraph. Have we had a lot of dullards in the railway commission that they did not know there was a Panama canal, that there was now more traffic westward? It is all right to lay down a principle and tell the railway commission, "Now, go and investigate your rate structure and make it conform to that principle." That as done in 1920. In the judgment of the railway commission of that time they declared they based their decision in part on the necessities of the National railways. We did not tell them to go back and review their decision in the light of the fact that the National Railways were in heavy debt or were built before their time; we told them to go back and review their finding in the light of our declaration that they had to leave the National Railways out altogether. There we declared a principle and took the responsibility ourselves. A reference back on a principle clearly defined means something; but here they define nothing. The railway commission has for twenty years been instructed to investigate the rate structure to make it fair and reasonable and produce equalization as far as possible. And that is all that it is instructed to do here. All this order in council means to the railway commission is simply this: You, the railway commission of Canada, now set to work and do what you have been told to do for the last twenty years. This is supposed to be consolation to British Columbia and to the Maritime provinces. They are told to rejoice and be glad over the empty words of a futile order in council, while in order to get enough votes in parliament the representatives of those districts are told to go back and rely on rates fixed by this House. Now, is this law, it is equity, is it common sense? I appeal again to the hon. member for Brome (Mr. McMaster). There is no answer?

Mr. McMASTER: I am not a member of the railway commission.

Mr. MEIGHEN: No, but he is a member of parliament, and he has to come to a decision as to this. How can he as a Liberal —who loves that name at least, whatever he may think of the record—how can he vote for legislation that denies every principle of Liberalism, or so-called Liberalism, that has not a particle of equity in any line of it? If any hon. member thinks there is any consolation for his district, unless he comes from the special one, I should like to find how he is going to establish it. All the rest of Canada is told, "Go back and take what solace you can out of these words of the order in council"—words that have been repeated over and over again for twenty- three years, words that in effect were in the original law, words that to-day are not supplemented by any declaration of principle at all. The whole thing is just a waste of printer's ink in order that a good taste could be put in the mouth of British Columbia and the Maritimes before this inequitable legislation was brought down.

There is only one course parliament should have pursued years ago, it should have met the problem right face forward and acted upon the sound, safe principle of doing the same for every part of Canada. Then there would have been no trouble to-day. Does anybody imagine that this is going to end the problem? It cannot. I do not care whether the railway rates of the Crowsnest pass agreement are lower or higher than the average level of Canada, so far as this argument is concerned, as long as you have to get a maximum fixed by parliament for one section, while the other sections are denied it, you cannot have good feeling in this country, you cannot have the sentiment among the people that they are fairly treated at the hands of parliament. Whether those rates are higher or lower, the people of the Maritimes, being people of the same composition as the rest of us, are bound to believe that they are under a special disadvantage because parliament would not do for them what it has done for the prairies. They are bound to believe it anyway, and you cannot possibly find any fault with them for so believing. I ask hon. members from the prairie provinces, suppose this legislation were for the Maritimes, and were denied to them,

would they like to have the members from those provinces stand up and say, "Oh, but we have to have certain rates or we cannot function. These rates are not lower than you are paying out in the west, we assure you they are not." Would hon. members from the west take that for an answer? Not one.

Mr. KENNEDY (Edmonton): It will be time enough to raise the maximum when the other rates are up to the general level.

Mr. MEIGHEN: Very good. If the position were reversed, and we were fixing maximum rates for the Martime provinces, and some member from the Maritime should stand up and tell him, "Oh, we are fixing these maximum rates, but they are not a bit lower than yours," I should like to hear what he would say. He would get up and say, "Very well, go and fix the other rates. If you want to go to the commission, go yourselves." Would not that be his answer?

Mr. KENNEDY (Edmonton): Not necessarily.

Mr. MEIGHEN: It would be "necessarily," unless he were a transformed being from what he is to-day.

Mr. KELLNER: We are not fixing the rates; they were fixed about twenty-seven years ago.

Mr. MEIGHEN: I got past that argument about three-quarters of an hour ago. Perhaps I had not awakened the hon. member at that time. We are fixing rates in this legislation, and this talk about an agreement is simply concealing ourselves behind an imaginary barrier.

Mr. McMURRAY: Is it not a fact that the Conservative government in 1916 set a special rate on grain from Armstrong to Quebec?

Mr. MEIGHEN: I have no recollection of the event at all, and I am quite satisfied we did not set any rate. But in war time there are occasions when very quick action is necessary that would not be considered in peace time at all. But I do not think any special rate was fixed by the government at that time.

Mr. McMURRAY: Did I understand the right hon. gentleman to say that his government suggested to the Board of Railway Commissioners that in considering the rates they should have special regard for the condition of the National Railways?

Mr. MEIGHEN: No, we said the very contrary. We said, "A great mileage of the Canadian National Railways is premature, a great deal of it was built, not for commercial profit as was the Canadian Pacific railway, but for colonization or other advantages"—that was a euphemism, we did not want to put in the order in council that it was purely for winning elections, so we stated it that way—"and as a consequence it is not fair to the shippers of Canada to-day to load on them the cost of that error; the whole of Canada should bear it. Therefore, come to your decisions wholly without regard to what the necessities of the National Railways may be."

Mr. EULER: Mr. Chairman, my contribution to the discussion will be brief. It is prompted only by the desire to see a solution of this vexed problem that shall be reasonably satisfactory to all concerned. Yesterday the Minister of Railways (Mr. Graham) reviewed the provisions of the Crowsnest pass agreement and the whole course of events leading up to the present situation, and therefore I shall not take the time of the House by going over the same ground again. The outstanding point, in the present debate is that the decision of the Supreme court has left a condition of discrimination so far as freight rates are concerned which is intolerable, and must be remedied. We have, now, to consider ways and means of removing that discrimination. It seems to me that that can be done in any one of three ways: First, to make the Crowsnest rates on the various commodities applicable on all parts of the railways; second, to restore the general rates and abolish discrimination in that way; and third, to give the railway board of Canada a free hand to make such rates as they think are equitable and in the interests of the whole of Canada.

Before going on to discuss these various methods, I should like to say that I believe that special agreements made in the interest of any particular section of the country or of any class of the people, are bad as a matter of policy. I think possibly that might be modified in some cases by the fact that the national interest might be served by a modification of the principle, especially in such a country as Canada, where we have such a diversification of interests that compromise sometimes is necessary. We have, for example, our friends immediately opposite frequently saying that the tariff is a matter of class legislation, and for that reason should not be tolerated. That is combated by a good many members of this House, who say that it is not class legislation, that the tariff is beneficial to the whole of Canada, and for that reason should be continued. Whether it be class legislation or not, it might be held

to be in the public interest. On the other hand, we have now a proposal from our friends opposite, and I think from the government, that we should enact legislation by way of granting the privilege of rural credits, which might be argued to be in the nature of class legislation, but which may be desirable in the public interest.

Mr. GARLAND (Bow River): I am sure the hon. member does not wish to mislead the House. Perhaps he is not aware of the fact that the rural credits legislation suggested will place no burden on the taxpayers of the Dominion, but will rest only with the provinces that take advantage of it.

Mr. EULER: Perhaps my illustration was not very good, but I think the House will readily see the point I am trying to make. Admitting therefore, as I do, and as I think all will, that class legislation is bad, that special agreements for the advantage of any one section of the country are bad, and also that the matter of freight rate making should not be given to parliament, we have then to consider, so far as I see the question, how far we should depart in the public interest from the principle I laid down, that rate making should not be given to parliament but should remain vested in the Board of Railway Commissioners.

The hon. leader of the Progressives spoke yesterday of the solemn contract of the Crowsnest agreement, and said that because it was a solemn contract, it should be maintained. Now I must take issue with him, and with my hon. friend from Battleford, who stated that that contract cannot be varied without the consent of the western people, and I think the members of the House will believe me when I say that I do that without any animosity whatever towards the people of western Canada. It should be remembered, and I agree in this with the right hon. leader of the official opposition, that that contract was made between the government of Canada, or the parliament of Canada, if you like, and the Canadian Pacific Railway. The consideration for the contract that was given to the Canadian Pacific Railway, something like $3,600,000,—was paid by the people of Canada. I contend that when both parties to an agreement decide and mutually agree to vary or even to abolish a contract entirely, they have a perfectly legal and a moral right so to do. So I do not think this House should be deterred because of the fact that a contract did exist.

Mr. FORKE: Nobody denies those facts.

Mr. EULER: I am of the opinion that he said it was a solemn contract and therefore should not be tampered with, or words to that effect.

Mr. GOULD: Would not the hon. member also argue that the Board of Railway Commissioners should have approached both parties to the contract before they abrogated the Crowsnest rates last fall, instead of just taking the Canadian Pacific side of the case?

Mr. EULER: I do not think it is right to accuse the Board of Railway Commissioners of taking the Canadian Pacific side of it. I am perfectly willing, although perhaps I have not sublime confidence in the board, to give them credit for trying to do what is right, although possibly they may be mistaken in some of their judgments.

Mr. WARNER: Does not the hon. member consider that this agreement was made for the benefit of the western provinces, to guarantee them against paying too high a freight rate?

Mr. EULER: I will say that the people of the western provinces were perhaps the chief beneficiaries under the agreement, but not the sole beneficiaries. They were not specifically parties to this agreement. It was an agreement between the government of Canada and the Canadian Pacific Railway Company.

I would like to refer to the work done by the committee appointed by parliament in 1922, a committee of twenty-five members of this House, who were to make a report to parliament as to whether the Crowsnest agreement should be allowed to come into force or whether its suspension should be continued. I had the honour of being a member of that committee, and that is why I refer to it now. It is no secret to say that I believe the disposition of the majority of the members of that committee was to allow all the rates on the commodities mentioned in the Crowsnest pass agreement, grain included, to be referred to the railway board, and that a new freight rate structure should be framed.

Mr. WARNER: Following up my first question, does not the hon. member think it is only reasonable for the western provinces to want to know what they are going to get before they give up the bargain they have already got?

Mr. EULER: The western provinces have only such a bargain as the parliament of Canada in agreement with the Canadian Pacific Railway sees fit to give them. They have

what they have only by reason of a contract made between the government of Canada and the Canadian Pacific.

If I may get back to the work of that committee, there was a feeling in that committee that in theory at least the whole matter of rate making should be vested in
11 p.m. the railway commission, but there were some of us, and I was one of them, who felt that in the interests of harmony, in the interests of the country in general, and in the interests of the western people, we might depart to some extent from that principle, and for that reason we advocated and secured that the freight rates on grain and flour should be allowed to come into force according to the terms of the Crowsnest agreement. I say frankly, Mr. Chairman, that I have sometimes within the last few days almost felt that we made a mistake. I am not going to say that definitely, because I have felt that we were reasonable at that time in what we did. But I do say that the proposal made by the government to allow the Crowsnest rates on grain and flour to remain in force, and to widen tremendously the scope and the application of those rates, is such a concession that our friends opposite should support it unanimously and without any objection. I say frankly that I am disappointed at the attitude taken by some of my very good friends opposite in insisting that the whole list of commodities should be restored so far as the Crowsnest pass rates are concerned. Now some of the members of that committee in 1922 compromised pretty heavily. They declared themselves in favour of retaining the Crowsnest pass rates on grain and flour. Some of us to some extent sacrificed the interests of our own constituencies in so doing; I know there is one member of the committee, I do not see him in the chamber just now, and I am another one—who sacrificed the Crowsnest pass rates on commodities manufactured in his constituency. I refer to furniture. Furniture is one of the commodities mentioned in the Crowsnest pass agreement. We were quite willing to forego the lower rates on furniture and to give to the west the benefits of the lower rates on grain and flour because we felt at the time that the west had difficulties to contend with and that we could stand the reduction a little better than they could. At any rate we did that in what we thought was in the national interest.

Mr. CRERAR: Might I suggest to my hon. friend that that suspension on furniture and other articles was only for two years.

[Mr. Euler.]

Mr. SHAW: Just for one year.

Mr. EULER: It was only for one year and could be renewed for another year. I may add that at that time we were under the impression that if the Crowsnest pass agreement came into force in its entirety that furniture would get the benefit of the lower rate. However, what we did we did in good faith so far as giving the rates on flour and grain are concerned. Unfortunately in my own case we never got the benefit of the reduced Crowsnest pass rates on furniture.

Mr. KENNEDY (Edmonton): Who does my hon. friend think pays the freight on a carload of furniture going from his town to any point in the west?

Mr. EULER: That is an old question which I think the ex-Minister of Finance (Sir Henry Drayton) answered this afternoon. I have no doubt the westerner pays the freight but I will also say this—that every reduction of freight on a commodity surely assists the sale of that commodity if the price is lowered. But we did not anticipate at that time any such decision as was given later, that the Crowsnest pass rates on furniture and other commodities would apply only to such points as were in existence on the Canadian Pacific Railway in 1897. Because of that, my own city—and I may say that in the constituency which I represent we have about twenty-five furniture factories—we do not get the benefit of the Crowsnest pass rates on furniture, and to give you an idea of the discrimination that exists I shall merely quote by way of example, the rate we have to pay in competition with furniture manufacturers in the city of Woodstock, situated about thirty miles from Kitchener. Woodstock got the benefit of the Crowsnest pass rates of 1897 on furniture to Winnipeg of 86½ cents per hundred pounds, whereas from Kitchener to Winnipeg the rate is $1.38 per hundred pounds, an increase over the Woodstock rate of a little over sixty per cent. Our furniture manufacturers, however, are resourceful enough to circumvent that. They bill their goods to the city of Galt, about twelve miles away, and pay that extra rate. Galt was on the Canadian Pacific in 1897 and by shipping from that city they get the benefit of the Crowsnest pass rates. This does not work out so badly, but I assure you our manufacturers consider it is a very great nuisance and an unfair discrimination.

Now, if such a contract as the Crowsnest pass agreement were to be made to-day in the light of the fact that a railway commission exists, one of whose functions is the fixing of rates that are not discriminatory,

then I would say that the making of such a compact to-day would be in violation of the principles that I believe in that rates should not be made by parliament but should be made by a properly constituted body.

Mr. KELLNER: Did not the government propose to fix rates under the Petersen contract if it had gone through?

Mr. EULER: Well my answer to that would be that under the report submitted to the House the Petersen contract did not come into force. I would also say further—

Mr. GRAHAM: Would my hon. friend just let me straighten that out.

Mr. EULER: Certainly.

Mr. GRAHAM: Under the Petersen contract the government took the power to control the rates through any machinery it liked. That machinery would probably have been the Board of Railway Commissioners.

Mr. EULER: If that explanation is not satisfactory I will add this. I have already admitted, and I say now, that conditions may arise in this country that will make it advisable that we should sometimes vary and depart from any strict principle that may be laid down in matters of this kind. The leader of the Progressive party (Mr. Forke), gave as the reason why we should go further in the making of rates in this House, the fact that we are continuing rates that were made under the Crowsnest pass agreement. I do not consider that an entirely fair argument. The rates which are now given under the Crowsnest pass agreement on grain and flour are a concession to our western friends, one that I have already justified and can continue to justify under the proposal that is made now. My hon. friends should not take that as a reason why we should decide to go further in the violation of what I consider is a principle.

Mr. CRERAR: Wherein does the concession arise?

Mr. EULER: In that it is a special agreement in which rates are given that are lower than normal rates and beyond which the railway commission is not able to go. They are specially fixed by parliament and are below the regular rates. That is my argument.

Mr. WARNER: If it is a concession given in the case of the eastbound rates on grain and flour, is it not a burden on the western people that by raising the rates on the commodities going west they have to pay more when they come to buy those commodities?

Mr. EULER: If the rates are raised on the other commodities going west—and there is as yet no ground for believing that will be the case, these rates are to go to the railway commission. We do not know that as a consequence they will be; it is not saddling the western people with anything that is not being borne equally by the other citizens of Canada.

Mr. WARNER: The hon. gentleman has not answered my question. If the rates are raised on goods going west and those rates are charged in the price we pay for the goods, is that not a burden on the west?

Mr. EULER: I do not think I am called upon to answer hypothetical questions. I may say, however, that I do not think there is any discrimination in that way. Westerners would simply be placed on the same footing as are all the other citizens of Canada.

We have had a good deal of argument as to whether rates in western Canada are generally higher than they are in the east. I know that when I come to discuss that question I am liable to meet opposition and perhaps enter on debatable ground.

Mr. BIRD: What does the hon. gentleman mean by "concession?"

Mr. EULER: I was hoping I had got away from that phase of the subject.

Mr. BIRD: Does he mean it is an act of pure generosity on the government's part, or does the observation apply to some right we have in the west?

Mr. EULER: Well I would answer that in this way: I believe that the west has no inherent right to receive such a concession, but I also believe that it may be in the public interest, it may be in the general interest of Canada, that western Canada should have some concessions that will enable them to make progress and to prosper and thus benefit the whole of Canada.

Mr. EVANS: Does the hon. gentleman mean by "concession" that we are getting a service which is rendered at less than cost?

Mr. EULER: I was coming to that point in a few minutes. However, I will answer my hon. friend briefly, yes.

I was beginning to discuss the question of rates. It is said the rates in western Canada are higher than in eastern Canada. The leader of the Progressive party yesterday quoted a good many figures to prove that statement. I could, if I so desired, quote figures which would show that on similar

distances on internal points in the central provinces rates are higher than for similar distances on internal points in western Canada. I am not going to do that, and I would simply leave it with this observation, that our freight rate structure is such that you would be able to prove almost anything from the rate figures.

Mr. FORKE: If they are higher, they must be very high, because the internal rates in the west are high.

Mr. EULER: I can show the hon. member a statement in regard to it in black and white, but I will not trouble the House with it now. I shall leave that point with the statement that in northern Ontario, for example, rates are a good deal higher in many instances for similar distances within the province from Toronto, say, to some point in northern Ontario, than for similar distances in western Canada. That being the case, would my hon. friend argue that special agreements should be made in the interests of people living in northern Ontario? If we do that, where are we going to end? Because the same sort of thing will crop up in different parts of Canada. If these rates are not equitable, surely we should be able to trust the fixing of rates to the body properly constituted for that purpose. Something has been said about the fixing of rates in Ontario on the basis of water competition. To be quite frank, I have not attached so much importance to that as have some others. There is no doubt water competition has a good deal to do with the fixing of rates in Ontario, but there are many points in Ontario which are not affected by water competition at all. There may be competition along the water front, but in the interior of Ontario that does not apply. I would add this further: Is it reasonable that those who happen to live in such communities as have advantages because of their geographical location must necessarily be expected to give up any of those advantages for the sake of those who happen not to be so advantagecusly situated? I am not sure that it is correct to say that because a certain rate is given, we will say in Ontario, in a thickly populated district, so much per mile or so much per hundred pounds for so many miles, that absolutely the same rate must prevail in another portion of the country where traffic is less dense.

Mr. GARLAND (Bow River): No one suggested that.

Mr. EULER: That suggestion was made by another hon. member. We have an illustration of that in Ontario. As hon. members know, Ontario has gone into the development of Niagara power. The municipalities that are nearest the source of supply get the lowest rates, and the other municipalities more remote from the Niagara district do not think that they should receive as low a rate as is enjoyed by the municipalities close to Niagara falls, because the cost of carrying that power to the municipalities more distant is greater than in the other case. I have heard of one or two complaints during the regime of Hon. Mr. Drury, when the suggestion was made that there should be a flat rate all over Ontario, but that proposition was never entertained.

I would lay down this definite principle, so far as rates are concerned: that we must have rates throughout Canada that will enable the railways to live.

Mr. FORKE: Of course if you provide that the Railway board is the only authority to fix rates we cannot say any more; that settles that part of it, but do you not think the fact that the products of the central provinces have to be transported 1,000 miles either out or in requires some consideration? These provinces are not self-contained in any way. Everything they use has to be taken in, and everything they sell has to be taken out, and these provinces should have some consideration over other provinces differently situated.

Mr. EULER: I am quite willing to agree with my hon. friend as to that. It is a question how far we can go. I would be quite willing to agree that the rates on grain and flour should be according to the Crowsnest pass agreement, and I think that is a very considerable concession, if I may use that word without getting into trouble. But to say that we should carry the making of rates on all the commodities that might be mentioned into parliament, I think would be very inadvisable indeed.

Mr. GOULD: I was going to remark that the hon. member is evidently unaware that the Prime Minister positively stated on his tour in the west last fall that water competition was a factor in the fixing of railway rates.

Mr. EULER: I have not contended that it had no bearing at all. I said I did not believe it had quite the importance that was sometimes attached to it. It has been claimed that western railway business is very profitable, and the inference is that the west is being discriminated against in favour of the east. Now if I may do so without arousing undue antagonism, I should like to say a few words

in regard to that. I have not any extensive figures with regard to the Canadian Pacific Railway, but I have it on very good authority —almost as good authority as one can get— that so far as the transportation of grain in western Canada by the Canadian Pacific Railway is concerned, their operating expenses are 98 per cent of their revenues; that they make money on the short haul, but lose money on the long haul. That leaves a margin of only 2 per cent. That margin of 2 per cent does not nearly cover the fixed charges and overhead which must be taken into account when you arrive at the net profit. so that the statement is made that the carrying of grain even by the Canadian Pacific Railway is not profitable.

Coming to the National Railways, the figures have been quoted before and have been questioned, but I have not yet seen them disproved. In the central region, in the provinces of Ontario and Quebec, the figures show an operating profit last year of $16,433,-446.96. The United States division showed a profit of $5,480,162.25. The western region showed an operating loss of $1,124,353.49, and the Atlantic region showed an operating loss of $3,545,004.24. These are either operating profits or operating losses, without taking into consideration, as I said before in the case of the Canadian Pacific Railway, the overhead or fixed charges. The president of the National Railways, before the committee on National Railways and Shipping not very long ago, made the statement—and hon. members have probably read it in the account of proceedings—that the Canadian National Railways lost money on every bushel of grain shipped eastward. That was an important statement, made by an authority and deserves some consideration. I might add also that something has been said at times with regard to rates in the United States—

Mr. CRERAR: I would like to clear up that point. I understood my hon. friend to say that the chairman of the National Railways said that the railway lost money on every bushel of grain shipped eastward. Was that from Fort William eastward, or from prairie points to Fort William?

Mr. EULER: Shipped eastward from any point in the prairie provinces, I think.

Mr. FORKE: I think the hon. member for North Waterloo saw the statement of President Beatty at New York, that if the Canadian Northern had been content with their prairie lines to Fort William, they would have been the richest men and the richest railway in the world to-day.

Mr. EULER: Did he say that they would make the money out of carrying grain or by selling land?

Mr. FORKE: The hon. member cannot get away from it like that.

Mr. EULER: I do not know. I have not seen the statement.

Mr. FORKE: The hon. member was speaking about the deficit on the western lines and, of course, that includes all those fool lines that were built by authority of this parliament and for which the west is not to blame, such as the line running up to Prince Rupert the operation of which must entail great loss and the duplication of lines throughout the west—lines that were never needed.

Mr. McMASTER: The Hudson Bay railway.

Mr. FORKE: No. The Hudson Bay railway paid for itself. You cannot charge that up to the western lines. If you take just the prairie division where they are performing a useful function, they are paying institutions.

Mr. EULER: I am quite willing to accept that observation, but I have never at any time heard that the westerners disapproved any of those lines while they were being built.

Mr. FORKE: This parliament must assume the responsibility for them.

Mr. EULER: Very well. I am coming a little later to figures, which do not include the line running to Prince Rupert—which deal entirely with grain and which figures, I think, are quite authoritative. I was going to quote here some figures which I have with regard to rates in the United States.

Mr. GOULD: If the hon. member's statement is correct—and I am accepting it as correct—that there is a deficit on the National railways at the present time in moving grain eastward, is it not foolish to vote $5,000,000 for the Quebec harbour?

Mr. EULER: I am sure the committee does not expect me to go into a debate on the merits of the Quebec harbour.

Mr. GOULD: The point is there just the same.

Mr. EULER: It is stated by the National railway authorities that if the general rates that now apply on the Great Northern railway in the United States were applied to the

National railways in western Canada, the revenues, and consequently, the operating profits, would be $20,473,000 greater than they were.

Mr. KENNEDY (Edmonton): Is that on the same volume of grain?

Mr. EULER: I have been fairly patient, I think, and I will give the hon. member an opportunity in a moment. It is also stated that if the rates on the Northern Pacific were applied to the National railways—and this applies to general traffic—the revenues and consequently the operating profits would have been $24,608,000 greater than they were, an amount sufficiently large, if added to the operating profits which the National railways actually had last year, to pay the fixed charges to the general public.

Mr. COOTE: Was that in 1924?

Mr. EULER: Yes.

Mr. BROWN: What does the hon. member think would have happened to the men who were paying those rates?

Mr. EULER: A little later I will give hon. gentlemen the reason for my making these remarks. I might say now that I am not giving these citations in order to advocate that rates in western Canada should be increased. That is not my purpose at all.

Mr. COOTE: Has the hon. member the figures showing the quantity moved by the railways in the United States?

Mr. EULER: I have not. I merely have the net results. The revenue in the western region of Canada in 1924 on all commodities other than grain averaged 11.23 mills per ton-mile. If grain were included, then those revenues shrink to the astonishing figure of 7.63 mills per ton-mile as compared with the central region of 11.12 mills per ton-mile for all traffic. Those are official figures, and I think they would tend at least to confirm the view that grain is being carried at a loss. The operating loss on the Nationals, as was given this afternoon, on grain in western Canada was in 1923, $6,000,000. I am giving it just in round numbers. Last year, in 1924, the operating loss on grain was $5,812,000. I would draw attention to this significant fact, because it goes to prove what I have said before, that when less grain was carried—because less was carried in 1924 than in 1923—the loss was slightly less. I am going to leave that rather disagreeable subject, because I admit that I dislike to mention facts that are unpalatable to my western friends.

[Mr. Euler.]

Mr. EVANS: Was that loss occasioned on the western division or the eastern division, because the hon. gentleman must remember that there are two rates?

Mr. EULER: My information gives that as being a loss sustained on the western division. I am not giving these figures, showing that railway business in western Canada is not profitable, and certainly not so far as grain is concerned to urge an increase of western rates, but I give them to impress, if possible, on my hon. friends opposite that, after all, the proposal which is made in this bill is a very generous one and one which, it seems to me, ought to be accepted without much protest.

Mr. BRISTOL: In reference to the matter that the hon. member is speaking about, has he seen a report that was distributed, I think, to nearly every member of parliament, by the Canadian Pacific, that rates allowed to our western people were nine cents per bushel less to the head of the lakes than rates that are allowed by the United States railways to the American farmers? I have a copy of it.

Mr. EULER: I have not seen that particular statement, but I have seen a similar one which shows that rates in the western states are a good deal higher than they are in Canada.

Mr. CRERAR: We have heard that for years.

Mr. EULER: If my figures are correct, then under the proposal that is at present before the committee the government maintains losing rates on grain in the interest of the producers of western Canada. That means a great deal. It is giving more under the proposal that is now before the committee than was enjoyed by western Canada formerly, because, as has been stated by the Minister of Railways, it extends the scope of the application of those rates two-fold. The application of Crow rates is extended to all lines now in existence, both Canadian Pacific and Canadian National, and as well, I presume, to all lines that will be constructed in the future unless a change is made later on with regard to grain rates.

Mr. COOTE: I think the hon. member said that the president of the National Railways stated that they had lost money on every bushel of grain hauled eastward. Did he make a similar statement with regard to grain hauled westward?

Mr. EULER: He did not. He said that he makes a little money on grain hauled westward.

Mr. COOTE: Would the hon. member be willing to give his opinion whether the farmers of Alberta should not have a similar rate westward to that which they have eastward?

Mr. EULER: I would say this, that I do not like the idea that there should be any discrimination. If it is at all possible—I should like to see the same rates from the prairies to Pacific ports, proportionately speaking, as those that apply on grain going to the east. If these are facts as I have stated them, I want to repeat this, that I think our friends opposite ought to appreciate what is proposed in the legislation now before the House. Discrimination must be removed. I do not believe there is one hon. member in the Progressive party who will say otherwise. We have in Ontario a condition of affairs that is, perhaps, not fully appreciated by our hon. friends from the west, but it cannot be allowed to continue. Who shall remedy it? There is only one unbiased body in this country, a body specially created for that particular work. That body is the Board of Railway Commissioners, and one of its most important functions is the fixing of rates.

Mr. KENNEDY (Edmonton): The hon. gentleman suggests that discriminations should be abolished. Does he mean discrimination as between different territories in the west, or does he mean that in so far as it is possible for the railway commission to do so, the general level of rates east and west ought to be the same.

Mr. EULER: I do not know that I can go into any extended argument on that point. I say that there should be no unfair discrimination against any interest or any class of people, or any industry or commodity, east or west, north or south, or in any other direction. I stated at the outset that I believed in the principle that all rates should be fixed by the railway board and not by the parliament of Canada. We are departing to some extent from that principle inasmuch as we are allowing by act of parliament the continuance of the Crowsnest rates on grain and flour. But I am willing to compromise to that extent, and I am doing so for the same reason as influenced me in 1922 as a member of the committee; I feel that reduced rates on grain will be in the interests of harmony as well as in the interests of the country as a whole.

Mr. SUTHERLAND: If the hon. member is agreeable to having these preferential rates on wheat and flour, why not extend them to live stock, which are grain-fed? Why not extend the principle further if you extend it at all?

Mr. EULER: I am free to admit that I may be open to a charge of inconsistency in violating the principle I have laid down; but it is merely a matter of the degree to which we think it advisable to go in matters of this kind. I do not desire to go any further in violation of that principle than we have already gone in the legislation now pending.

Mr. SUTHERLAND: Does the hon. member not think it would be better to have the rates apply to live stock?

Mr. EULER: If it is advisable to make a concession in relation to grain and flour it might be advisable to do the same thing in the case of live stock. But possibly somebody would want the rates applied to building material or agricultural implements or other articles. The varying of the principle cannot be carried too far.

Mr. SUTHERLAND: Certainly.

Mr. EULER: There are occasions when it may be in the interests of the country and of good business—I am not going to say good politics, because I do not care much about that—to depart from a too strict adherence to any particular principle.

Mr. FORKE: It shall be counted to you for righteousness.

Mr. EULER: Now, what other remedy can hon. gentlemen offer? My hon. friends opposite, although they have not done so with any great degree of definiteness, have rather advocated that the rates on all these commodities should apply throughout Canada on all railways that are now in existence and not only on those that were in existence before 1897. The objections to that proposal are apparent. In the first place, it deliberately extends what I do not like to see extended, the principle of rate-making by parliament; and there is a second objection to it. If the commodities now in the Crowsnest agreement are all given the Crowsnest rates, the shippers of similar commodities in the same class will demand the same rate. And why should they not have it? For instance, in the Crowsnest list of commodities we have farm implements. The Crow rate on implements is 68½ cents from Toronto to Winnipeg. Now, there are other articles of machinery which perhaps are as important even to the farmer himself as agricultural implements, and certainly they are important to many residents of western Canada. Yet other

machinery, which ordinarily is in the same rate classification as agricultural implements, carries a rate of about $1.08 per hundred pounds from Toronto to Winnipeg. The manufacturers—or rather the consumers, we will say, because it is argued that the consumers pay the freight—might very well say, "Why should we be discriminated against in favour of the users of agricultural implements? That is only one instance. Coal oil is another. The Crow rate from Toronto to Winnipeg is 65½ cents, but coal oil ordinarily is in the same rate classification as all other oils; yet all other oils are required to pay a rate of $1.14. Would that not constitute discrimination?

Mr. COOTE: How could it be discrimination when these articles are covered by special agreement made in 1897?

Mr. EULER: We are not recognising the agreement of 1897 now; henceforward the conditions will be different. But suppose we consider the suggestion that these articles that are now in the Crowsnest agreement should all be restored and the Crowsnest rates made applicable all along the line, on all lines of railway. What would happen? You would immediately have requests from those shipping similar articles and who were being charged a higher rate, for equal treatment and you could not fairly refuse them the same rates. So that the whole situation bristles with difficulties that may not be at present apparent to hon. members.

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

Mr. SUTHERLAND: Why not give the board full control over the whole matter, if that is the hon. member's opinion?

Mr. EULER: I have answered that question already.

Mr. SUTHERLAND: But you are approving of this bill.

Mr. EULER: Yes, and I have already stated my reason for so doing. In conclusion, I would appeal to my hon. friends opposite, for whose needs we on this side of the House have the greatest sympathy, to accept the proposal which is now made in this legislation. It may seem to them to be a yielding of some advantage which I think is more fancied than real, because in the present proposal they are receiving a great deal more than they now have under the law as it is construed by the courts. If they can accept this measure it will show that they appreciate the fact that sometimes it is necessary to make some compromise; and if they do this I believe they will find it in the end in the general interests of the country.

Mr. JELLIFF: Will the hon. member explain how the railway commission fixes rates, in other words, who are the chief architects of these so-called rate structures?

Mr. EULER: It is regrettable that the hon. member was not in the House this afternoon when the member for West York (Sir Henry Drayton) was speaking. As ex-chairman of the Board of Railway Commissioners that hon. gentleman is much better qualified to go into the intricacies of rate-making than I am. I have a suspicion however that railway rates in the past have been fixed on the basis of what the traffic will bear.

Mr. WOODSWORTH: Mr. Chairman, the ground has been well covered, but as a representative of Winnipeg I feel I must join with other western members in protesting against the proposal contained in the bill now before us. Urgent appeals have been made that we should view this from a national standpoint. I submit that any truly national policy is dependent upon its meeting the needs of every section of the community. The people of the west feel that this measure will not meet their needs. I believe that measures of this kind are the sledge hammer blows that are driving the wedges that are separating the various parts of Canada. I cannot but utter a warning to the government from another angle altogether to that taken by the leader of the opposition—if measures of this kind are persisted in you cannot expect to maintain a united Canada. We all plead for unity, but that unity is possible only under certain conditions. The existence of the west is dependent almost entirely upon proper transportation. Those who have lived all their lives in the east perhaps can hardly realize how different the west is in this regard. Here for a hundred years communities have lived more or less self-contained, their markets to a considerable extent close at hand. But without transportation the west would still be in the control of the Indians; and if we do not give suitable transportation

rates the west might as well revert to the Indians. Make freight rates prohibitive and you strangle our agriculture. The markets of the west are not local markets. We are told again and again that it is well that we should build up industries in order that we might have local markets. Suppose we should attempt to do that in the west where would the east be under those circumstances? The people of the east are dependent upon the west, to a certain extent at least, for their markets, but those markets are available only so long as we are able to ship large quantities of foodstuffs overseas. I repeat, our western markets are not local, and that should be taken into consideration

This bill deprives the west, as has been repeated again and again, of certain statutory guarantees. And this is the main objection —it offers no satisfactory guarantees in return. It leaves the west to the tender mercies of the railway commission. Now, we may as well frankly recognize that the west has to a considerable extent lost confidence in that commission as now constituted. It is not merely a question of personnel. It is based on the fact that the commission is very largely working on principles which cannot continue to be applied if the west is to prosper. The commission is located more or less in the east, it is subject to the principles and ideals pertaining to this part of the country—principles and ideals which no doubt are held by the majority in Canada—and thus it cannot be expected to formulate policies that will meet the needs of the west.

Mr. McMASTER: Are the principles and ideals of the west essentially different from those of the east?

Mr. WOODSWORTH: Yes, in some very important points.

Mr. HOEY: Free trade.

Mr. COOTE: Ten per cent dividends; we think five per cent good enough.

Mr. WOODSWORTH: One or two of these points I should like to mention. We all appeal to general principles, and no one is more fond of doing so than my good friend from Brome (Mr. McMaster). The trouble is that people who hold the most diverse views and advocate the most adverse policies may appeal to the same general principles. The whole matter is one of the application of those principles. For instance, at the present time we hear a good deal about equalization. We all say, if we could only have equalization—whatever that means—we would all be happy. But what do we mean by equalization? As soon as we begin to define it we are all at sixes and sevens again. As I have heard this word repeated so often, I have thought of the little story that is familiar to many of us of the old Scotch lady, who returned from church greatly edified. On being asked the cause of her elation, she answered, "Oh, it was the sough of that blessed word Mesopotamia." I am inclined to believe that the government is trying to lull the country into a sense of false security by repeating frequently enough that remarkable word—equalization.

The hon. member for Mackenzie (Mr. Campbell) has pointed out to-day that this bill makes no provision whatever for equalization of rates as between provinces. I submit we might very well go further than the demand of the hon. member for Mackenzie. The hon. member for North Waterloo (Mr. Euler) hardly likes to admit that geographical location ought to have any very great weight in the determining of freight rates. I submit that it is not an unheard of principle that geographical location should very decidedly determine rate policies. Let me give a very simple illustration. We are all supposed to be here on equal terms. When I come from Winnipeg my fare is paid by the government; the fare of the member for Skeena (Mr. Stork) is also paid by the government; but his fare is very different from mine, and mine is very different from that of a member from Montreal. However, the arrangements are made in such a way as, approximately at least, to equalize the position of all of us. I wonder if that principle were applied to the western farmer where we would be. Supposing we tried to place the western farmer in as good a position in regard to the world markets as is the eastern farmer? The member for Brome asked me a little while ago wherein our principles differ. I should like to put that proposition to him. Will he admit its soundness? Its application would mean the elimination of freight rates entirely as far as payment by the west is concerned.

Mr. McMASTER: And it would mean that the western farmer would pay a very great deal more for his land.

Mr. WOODSWORTH: It might. But I imagine some eastern people would be very loath to admit a principle of that kind. To a very considerable extent we have admitted that principle in dealing with our postal rates, and I can send a letter three thousand miles for exactly the same charge as I can send another letter a mile. I am

not going to urge that this principle should be applied in this particular case, because there are a great many other factors entering into it—for instance, some people think we have better land in the west—but I would urge that this question of geographical location cannot be ignored, and that behind the plea that is frequently made, "In the east you have water competition," there lies this further geographical fact, that the industry of the west is almost entirely built up on our transportation system, and that unless we have that transportation system arranged on such a basis that it is possible for the west to produce at a reasonable cost, the west will be unable to carry on.

The right hon. leader of the opposition spoke against special privilege. He suggested that the west claimed special privileges. Again let me refer to my illustration of the payment of the transportation expenses of the members of this House. Would anyone seriously claim that because the member for Skeena is paid say $100 for his transportation expenses and the member for, say George Etienne Cartier (Mr. Jacobs) $5, that there is a case of gross discrimination, a case of special privilege? I think not. The fact is that by paying one member much more than the other we are simply bringing about a measure of equality. These are some of the principles that underlie this very complicated question that we have before us. We have heard the appeal made again and again in this House that the freight rates must permit the railways to live. I should like to place side by side with that, this plea, that the freight rates must permit the west to live. This is all we ask. Let me say that I do not think that the majority of the members of this House, even although we have been trying to make out our case here during the last four years, yet realize the serious situation that exists in the west.

Mr. SUTHERLAND: How does the hon. member justify paying the members of this House outside the 400-mile limit 10 cents a mile, whereas those within 390 miles of Ottawa get nothing?

Mr. WOODSWORTH: I do not know that I would attempt to justify that.

Mr. SUTHERLAND: That is what you have been attempting to justify.

Mr. WOODSWORTH: Oh no, something very different indeed.

Mr. SUTHERLAND: That is the regulation to which you have been referring.

[Mr. Woodsworth.]

Mr. WOODSWORTH: My reference was simply by way of illustration. I am attempting to put forward the principle which I think should not be lost sight of in considering this question.

Mr. SUTHERLAND: My hon. friend will admit that the members of this House outside the 400-mile limit have a free pass, and they collect 10 cents per mile additional coming and going, and those within the 400-mile limit do not receive anything.

Mr. WOODSWORTH: I am sure the hon. member does not intend me to go into that matter. I understand that the amount paid the members is by way of allowance for travelling expenses, not for transportation.

Mr. SUTHERLAND: It is for transportation.

Mr. WOODSWORTH: Let me review very briefly the situation as it appeals to some of us who make no claim whatever to being experts in this field.

The Crowsnest agreement we regard as a contract. I think that is admitted. The underlying principle is that of safeguarding the west by maximum rates. The courts have decided that the agreement stands, but have robbed it of value. It is the duty of the highest court, the parliament of Canada, to give effect to the underlying principle. I do not know that I need to enlarge upon that statement. We are not insisting upon the agreement, according to strict legal interpretation, being maintained. We recognize that the situation is absolutely anomalous, that there must be changes, but we do say that parliament, as the highest court of this country, ought to give effect to the underlying principle, that of safeguarding the west by maximum rates. I quite agree that parliament is not the body to erect a freight rate structure. Any of us who has even glanced over the schedules realizes the difficulties, and these have been pointed out at length to this House, but I would urge that it is the duty of parliament to decide on basic principles.

The proposed legislation concedes part of the agreement. Why not the whole? It is all very well for the member for North Waterloo (Mr. Euler) to admit generously that he is not quite consistent in conceding a part, but I submit that underneath that admission, there is more or less a recognition of the real difficulties which are inherent in the situation, and the concession is in reality a concession to certain rights that ought to be recognized. The only reason given by the Minister of Railways for the rejection of the recognition of the whole principle is that the revenues of

the railroad would not stand it. He offers no figures in substantiation, and, more serious still, he offers no alternative.

I would submit, Mr. Chairman, that there are alternatives. Sooner or later we must change the entire basis on which the revenues of the railways are collected. We all know something of the political jobbery, the incompetence and graft that have characterized the history of the construction of railways in Canada. I do not intend to go into this matter, but merely by way of illustration let me call attention to one or two facts as given us in the Drayton-Acworth report back in 1917:

> The property investment of the Canadian Northern Railway system is stated in the balance sheet of June 30, 1916, at $494,112,489.34. This figure admittedly has been written up to include $100,000,000 of capital stock. And this stock, as we have already said, was issued without any cash consideration. We have endeavoured to ascertain the actual cost of the system. From the company's official reports and special statement supplied to us, we have ascertained that the maximum cash investment that can have been made in the property is $383,302,451.33.

Thus fictitious capital stock is made a charge upon production. One other statement with regard to the Canadian Pacific railway. Here is a summary of the government aid that has been granted to the Canadian Pacific railway:

Completed road and surveys cost the government	$37,785,320
Cash subsidies	66,905,481
Lands sold	123,810,124
Total public assistance	228,500,925
Company's valuation put on unsold lands	119,259,000
	$347,759,925

The public has very largely paid for the road, and then private enterprise demands dividends on government grants. It is possible, I urge, quite possible, that instead of saying that we will allow the railways to live, that is, to pay dividends on these huge sums, we might alter the whole basis on which we compute these dividends.

One other suggestion that I would offer in closing has been put forward on several occasions during this session of the House, and that is the amalgamation of the railways into one system. That, it would seem, is the only ultimate solution that lies before us. It is inevitable sooner or later; why not face it? We are informed that during the first four months of this year the gross earnings of the Canadian Pacific railway dropped $6,000,000 as compared with the corresponding period of last year. The gross earnings of the Canadian National Railway dropped a similar amount, $6,000,000, over the gross earnings of the corresponding period of last year. How long can this state of affairs continue? It is being kept going at the present time very largely at the expense of the producer of this country. The labour people are being taxed, the employees of the railroads are being taxed, but worse still they are being laid off in large numbers in order that the railroads may make any showing at all. I need not speak for the farmers and the business men. I repeat how long can this state of affairs continue. We propose by this bill to penalize still further the producers of the west and not only the primary producers but a large number of people engaged in the distributional system. In our city of Winnipeg we are a long way from the seaboard. We are—

12 m.

Mr. CANNON: Did the hon. member know it when he got there?

Mr. WOODSWORTH: I do not catch the bearing of the question.

Mr. CANNON: The hon. member seems to think we ought to bring the ocean nearer to him.

Mr. CAMPBELL: You can do it by building the Hudson Bay railway.

Mr. CANNON: I am talking to the hon. member for Centre Winnipeg; one at a time.

Mr. WOODSWORTH: I would say simply that we recognize that Winnipeg and the west are located a long way from the seaboard and therefore labour under certain disadvantages. We recognize that the completion of the Panama Canal and the shipment of the grain westward, which is quite inevitable, will undoubtedly mean some very great changes in the situation. We ask that in the consideration of these freight rates due regard should be paid to the welfare of all sections of the community. We think that is the only basis on which we can maintain our present relations as provinces in one federation. I do not plead for the maintenance of the Crowsnest pass agreement as it is to-day—I can see as everybody must that it should be revised—but I should like to plead for the recognition of the underlying principle, that is the maintenance of certain maximum rates, and I do so on the ground of the peculiar geographical position of western Canada.

Mr. GRAHAM: Some of the older members on both sides of the House, outside of ourselves, think it is about time to adjourn as we have to meet to-morrow morning at 11 o'clock. I had hoped to have this bill reported in its entirety from the committee to-day, but it looks as if we would have to take an

hour or so to-morrow forenoon. But I do want to say seriously that I think the majority of the House will agree with me that this bill must be finished to-morrow, and as early as possible. So without the forty-minute rule being in I would suggest to the members that they arrive at that conclusion unanimously in order that there will be no disagreeable feeling when we put the bill through to-morrow. What I want to do is make a little advancement after a whole day's conversation and to get—

Mr. GARLAND (Bow River): Is the House to take that as an intimation that the government proposes to put on closure to-morrow?

Mr. GRAHAM: No, the good sense of the members of the House themselves will operate as a closure, I think, to-morrow.

Mr. MEIGHEN: What does the minister mean by "finishing the bill"? We are ready to finish it now.

Mr. GRAHAM: Putting on the finishing touches would, perhaps, be more appropriate. So that we may make a little progress I should like to have the committee consent that we pass sections one and two which merely repeal the act of 1922 and that of 1919, in order that I may move an amendment to the next clause. It will then go on Hansard, and be in the hands of hon. gentlemen to-morrow. Then I will ask the committee to rise and report progress.

Mr. SUTHERLAND: It appears to me that we have adopted a rather unusual procedure during the present session, and that is of adopting the second reading of bills without any discussion in order that full discussion may take place in the committee of the Whole. This bill did not receive any consideration in the second reading. On the contrary we immediately went into committee of the Whole and then the minister outlined the objects of the bill. The discussion which has been going on since, used to take place on the motion for the second reading. Bearing in mind the fact that this bill is one of the most important measures that could possibly come before parliament it seems to me that it is a most unusual course to follow, and I question the wisdom of even passing one or two sections of the bill at this stage.

Sections one and two agreed to.

[Mr. Graham.]

On section three—Power to fix rates and to enforce fair and reasonable rate structure.

Mr. GRAHAM moved to add at the end of subsection five the following:

But shall apply to all the territory west of Fort William covered by tariffs filed with the board under the terms of said agreement at the date of the passing of this act, and to all lines of railways now or hereafter constructed by any company subject to the jurisdiction of parliament within such territory.

Mr. GARLAND (Bow River): I wish to ask the minister one question, I did not quite catch his explanation. It is not understood that by allowing this amendment to be read we concur in it?

Mr. MACDONALD (Pictou): How could that happen?

Mr. GRAHAM: The reason for moving the amendment is that hon. members may have it in Hansard before them in the morning.

Progress reported.

FRUIT ACT AMENDMENT BILL

SENATE AMENDMENT

Mr. SPEAKER: I have the honour to inform the House that a message has been receive from the Senate informing this House that the Senate doth not insist upon their amendment made to Bill No. 117, an Act to amend the Fruit Act, to which the House of Commons has disagreed.

BUSINESS OF THE HOUSE

SITTINGS OF COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That as in accordance with the resolution adopted on the 16th instant the House will be meeting at 11 o'clock for the remainder of the session, the standing committees of the House be given leave to sit while the House is in session.

Mr. SPEAKER: The motion requires unanimous consent, of course.

Mr. MEIGHEN: I do not feel like giving consent to this. I had not heard of it before. I do not know how many committees now have authority to sit while the House is in session, but if many of the committees meet in the morning the attendance in the House of Commons will be even more meagre than usual. I suggest that the motion stand over until to-morrow.

Mr. GRAHAM: The trouble is that the committees sit at 11 o'clock.

Mr. MEIGHEN: It will not hurt to-morrow.

Motion stands.

OCEAN SHIPPING RATES

MOTION TO PRINT EVIDENCE OF SPECIAL COMMITTEE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the report and proceedings of and evidence taken by the special committee appointed to consider a resolution to give the government of Canada control over certain ocean rates be printed as an appendix to the journals of the House of the present session.

Mr. MEIGHEN: I cannot consent to that resolution. I think it should stand over until to-morrow.

Motion stands.

On motion of Mr. Mackenzie King the House adjourned at 12.15 a.m. Thursday.

Thursday, June 18, 1925

The House met at eleven o'clock.

PRIVILEGES AND ELECTIONS

Mr. JOSEPH ARCHAMBAULT (Chambly and Vercheres) presented the first report of the select standing committee on Privileges and Elections as follows:

Your committee have considered Bill No. 148, an act to amend the Dominion Elections Act and beg to report the same with amendments.

He said: The bill as amended by the committee has been reprinted.

OLD AGE PENSIONS

Mr. W. G. RAYMOND (Brantford) moved:

That the recommendations contained in the report of the Old Age Pensions committee be concurred in.

He said: I may say for the information of those members who have not had time to look into this matter that the committee has given the most careful attention to the replies received from the premiers of the various provinces, and has found that the provinces of the Dominion were not inclined to enter into the proposition as outlined in the report. Some suggested that it was a matter entirely for the federal government and not for the provincial governments at all. As hon. members will find by referring to the report, the matter was referred to the Department of Justice, which department forwarded a very clear and concise opinion, in which it was stated that it was rather a matter for the provinces than for the federal government; but that the federal government might contribute to the funds required if they saw fit to do so. We thought it better to make the recommendation contained in our report, rather than to take the matter up alone at the present time, as it would involve too much expense. It would necessitate an annual expenditure of a large amount of money, and we have therefore recommended in the report that the government arrange for a meeting with the premiers of the various provinces during the recess, with a view to arriving at a scheme for a co-operative old age pension; and secondly, that the chairman and one other member be invited to attend this conference; and thirdly that this report be sent to the premiers of each province. Hon. gentlemen will observe that the recommendation involves no expenditure and no responsibility further than the continuance of the idea of establishing in Canada an old age pension system, which the committee think is very desirable, and would like to see it proceeded with. Therefore the committee has made this recommendation as the most feasible manner of dealing with the matter.

I do not think it is necessary now to go into the general question of old age pensions. I think we have arrived at that degree of advancement and civilization in this country when it is generally conceded that we are lacking in this matter, and that we should have an old age pension scheme in Canada. This government has taken the initial step and we hope the matter will be proceeded with and prosecuted until it arrives at a successful conclusion in a co-operative movement between the federal government and the provincial governments.

Mr. WILLIAM IRVINE (East Calgary): I wish to express my personal disapproval of the report of the committee and to give briefly my reasons for disapproving. I think this committee has been working on a wrong line. It has been endeavouring to arrive at some scheme of old age pensions that would embrace the voluntary co-operation of the provinces. We have been instructed by the Justice department that we cannot constitutionally pass legislation that would be obligatory on the provinces. Still the committee persists in its course. I presume that if all the provinces of Canada voluntarily accepted the committee's proposal we might possibly obtain an old age pension scheme along the line of the committee's report, but I do not think that any member of this House will anticipate that all the provinces of Canada will agree to such a scheme anywhere this side of the next thousand years. I do not think there is the slightest possibility of getting an old age pension scheme along the lines of the proposal of the committee. I do not say of

course that the committee has not been perfectly sincere in its quest and in its recommendations, but if hon. members will go over the replies which have come to us from the premiers of the various provinces it will be found that nearly all consider old age pensions entirely a federal matter and will have nothing to do with it. The provincial governments point out the injustice which would come to the provinces which would not come into the scheme, and consequently, if we are to pay any attention at all to the advice of the provinces, we will abandon the scheme suggested by the committee, and proceed at once with a scheme which would be entirely federal, leaving the responsibility on the federal government. We have been told by the chairman of the committee (Mr. Raymond), that the committee does not consider that Canada can stand the financial pressure involved in raising the moneys required to carry out this old age pension scheme; the committee, however, think it could be done if the provinces came in. It is surely clear that it would take the same amount of money whether the provinces came in or not, and the taxpayers of Canada are not so foolish as to imagine they pay any less if they pay part of it through the municipalities, part of it through the provincial government and part of it through the federal government. They know perfectly well that if they pay so much in taxes, they pay the same amount no matter how often you divide it. On the other hand to say that we cannot afford it is a confession which I, as a member of this House, do not wish to concur in. I believe we can afford it; but if it be so that we cannot afford it, let us frankly say so and not continue making a pretence that we are on the way to obtaining old age pension legislation by referring the whole question to a conference.

I think the report of the committee recommends that at a meeting to be held this summer; when the provincial premiers are in conference with the federal government in respect to constitutional amendments, this matter is to be brought up. And a report is to be given at the next session of parliament. I do not think instructions given by this session of parliament will be considered binding by another session of parliament. Further, the conference that will be held this summer will have all they can deal with without attempting to deal with this matter at all. If they deal with it, it will be in a very cursory fashion which will not be satisfactory. Without discussing this matter further I beg to move:

[Mr. Irvine.]

That this report be referred back to the committee with instructions to consider and report on a purely federal scheme.

Mr. T. L. CHURCH (North Toronto): I regret very much that while we can afford to spend money on material works—millions, for instance, for wharves and branch lines—we cannot afford to take care of the aged and infirm in our cities and towns who are a charge on the municipalities. There are thousands of good old citizens in the city from which I come who need care. That city contributes $100,000,000 of revenue and should receive some assistance from the federal government as the cities do in England by way of pensions for the old. When the British North America Act was passed in 1867 the Fathers of Confederation could not foresee everything, such as the modern social problems, problems which, I am sorry to say, are being solved everywhere but in Canada. The Old Mother Country leads. I am sorry that a country like Canada should not be a practical country, that we should not be a practical people and this a practical parliament. We have money for branch lines and breakwaters, some of them quite unnecessary; but apparently we are unable to take care of our aged people who are driven to the wall. This is a federal, not provincial, matter. We have the power to act. But still we do nothing even in this necessary and charitable work for the good of those of our people who are no longer able to provide for themselves.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I take exception to the remarks of the hon. member for East Calgary (Mr. Irvine) when he says that the Justice department reported that it would be impossible for the Dominion to co-operate with the provinces in this matter.

Mr. IRVINE: I did not say that.

Mr. NEILL: That is what I gathered from the hon. gentleman's remarks. Perhaps he will correct his statement.

Mr. IRVINE: I pointed out that the Justice department advised us that it was outside of the jurisdiction of the federal parliament to proceed with a scheme such as is proposed by the committee. The hon. member should read the report.

Mr. NEILL: I take exception to that. That, to my mind, is not the report of the Justice department. What the Justice department reported was that under the British North America Act the duty of functioning an old age pension scheme devolved primarily on the provinces, but it said that it did not

preclude any assistance which this Dominion might extend by way of voluntary grant, but that it would not be possible for it to establish and operate a scheme under its own auspices if it involved any measure of compulsion. That is to say, if it required the provinces to pay so much or if it required the individual to pay so much, then we would be exceeding our jurisdiction. It, however, expressly left the door open for any assistance by the Dominion to a co-operative scheme formulated by the provinces. The hon. member for East Calgary says that he anticipates that this co-operative scheme must essentially be a failure and never come to anything because it will be a long time, if ever, before the whole nine provinces will agree to it. The scheme recommended by the committee last year and again endorsed this year did not contemplate that there should be unanimous action by the provinces; it suggested assistance by the Dominion government to any province, and all provinces, if and when they decided to avail themselves of it. I remember the same remark was made—"You will never get the provinces to come in,"—when this government a number of years ago proposed to vote, I think, $20,000,000 for the encouragement of good roads in the different provinces. It was said that the scheme would be unworkable; that the different provinces would not come in. The matter, however, was left optional; those that wished to come in could come in, and those that decided to stay out could do so. In the final result, I believe they have all come in and taken advantage of the assistance offered by the Dominion government.

I am aware that in the replies received from the different provinces, the tendency was to "pass the buck" to the Dominion government. They all suggested that they did not want to do the work and they did want the Dominion government to do it. But there are two features which will, perhaps, somewhat modify their views now. At that time they were not in possession of the report of the Department of Justice which says that is not our business to assume entirely the burden of any scheme of that kind and which places the responsibility directly and finally upon the provinces. Perhaps, had they been informed of that decision they would not have taken the position they did, and when they are informed of it they may see fit to change their point of view. That is why the committee recommended that the matter be taken up at the conference which is to be held this fall. The provinces may be given full information of that advice of the Justice department; and when the other features of the matter have been explained to them, they may be led to assume their responsibilities in this regard. My hon. friend from North Toronto (Mr. Church) says, that Britain pays its old age pensions out of the federal treasury. Certainly, but the British government has control of all the taxable resources of the British nation. We do not occupy the same position in Canada. We only control part of the revenues of Canada and the provinces control a very large part. It is true, as the hon. member for East Calgary says, that the expense will be the same, whether the money comes, half out of the Dominion and half out of the provinces, or entirely out of the federal resources. But that is only begging the question, because we are here as guardians of the federal resources, and it is not our function to spend the public money with which we are entrusted in order to succour the finances of provinces whose duty it is to assume that responsibility. While the total cost will be the same, it is not our duty to pay out money for the benefit of the provinces when the British North America Act has decreed that they are to do so. If we once give way on that point, then we shall be asked to assume other obligations—education, for instance—of the different provinces. We must assume some responsibility in dealing with the public money of Canada as compared with that of the provinces.

My hon. friend (Mr. Irvine) takes exception to the fact that this conference has been called primarily for another purpose, that is, to deal with Senate reform. He suggests that there should be a separate conference. But it is very unreasonable, I think, to ask that representatives of the provinces should be called from such vast distances as we have in Canada, specially for the purpose of considering this one subject, when the provinces are meeting together in any case for another purpose. Would it make any difference if they were called a week later, or a day after the conference on the other subject? Surely the same representatives could stay a day or two longer and hold a conference on this question. The suggestion that they cannot discuss it this fall is, I think, an untenable one.

There is no member of this House to whom I would yield in the desire to see an old age pensions scheme gone ahead with. I come from a district comprising workers almost entirely, and I know that such a scheme would be favoured there. At the same time, however, I must recognize my responsibility as a member of parliament to the whole of Canada, and I am not prepared to stand here and, for the sake of a little cheap applause in my constituency, ask the Dominion of Canada to saddle itself with a liability running into

twenty-three or twenty-four million dollars a year. It is an object devoutly to be wished in the future; but at the present time and under our present taxation and financial conditions we are not entitled to ask the government to go into such a large annual expenditure especially in view of the ruling of the Justice department that it is a matter of provincial jurisdiction.

Mr. HANCE J. LOGAN (Cumberland): As a member of the committee which has been considering the bill I have endeavoured to give it my best attention. I am a firm believer in old age pensions; I believe it is one of the great questions before the people of the country to-day. I do not admit that we cannot afford to put such a scheme into effect even if we had to do it federally alone. Australia, which is not as rich a country as this, is able to carry old age pensions, and the same is true of other parts of the Empire and of the civilized world generally. I do not agree therefore that, even as a federal government alone, we could not carry on an old age pension scheme. But I want to see results. To-day the poor are being taken care of by the provincial and municipal authorities and we have suggested a scheme whereby $20 a month will be paid to old people. The committee has recommended that this government provide one-half of the amount, or $10, the provinces to contribute the other half. The proposal has been referred to the provinces and I am bound to say that in my opinion they have replied without having given the matter serious consideration, because I contend that it is in their interests, from the financial point of view alone, altogether apart from sentimental reasons, to accept the proposal. Under our scheme they would contribute $10 towards the maintenance of every poor person in the province, whereas under present conditions it is costing them at least $20 a month. The provinces therefore would stand to gain rather than lose if this scheme which we propose were put into effect. I am inclined to think that when the reference was made to the provinces they felt that this was a matter altogether within the scope of the federal authority, and they replied to this effect without giving the proposal due consideration. For that reason I think it is desirable that a conference should be called. And in this connection I would point out that the committee in its recommendation does not ask that the matter be referred to the conference which it is proposed to hold on any other subjects; the suggestion is that a special conference be called to consider this particular matter. I believe that if the premiers of the different provinces came together we could convince them that altogether apart from the sentimental reason, the provinces would stand to gain financially if they adopted this scheme; and I have no doubt that on that ground we could put it through. My hon. friend from East Calgary (Mr. Irvine) thinks that we should go ahead at the present time without reference to the provinces at all. That is more easily said than done. It sounds very well; but it is not practical at the present time. The day will come when such a course will be advisable if the provinces refuse to contribute. But I submit that the provinces have the necessary machinery for carrying on this work, and in our report we recommend that they should distribute the pensions; and as they are nearer to the people to be benefited than the federal government could possibly be, I believe it would be the proper thing to call a special conference between this government and the authorities of the provinces to consider this very important matter and if possible to come to a satisfactory conclusion. I would vote against the amendment of the hon. member for East Calgary for another reason; at this stage of the session, within a very few days of prorogation, it is no time for the committee seriously to take up anew any consideration of this problem. I think it is better to obtain results in a practical way than to vote for motions that are simply illusory, for this is merely throwing dust in the eyes of the people of Canada. What we want is action; we want to put money into the pockets of the needy old men and women of the country. I think a conference with the provinces would surely work out some satisfactory solution of the question and I trust that the result will be the institution of a joint old age pensions scheme.

I am afraid we do not pay sufficient attention to the question of old age pensions. In my humble opinion the prospect that men must face in the twilight of life, without sufficient means to carry on for the rest of their days, is responsible for more pain and anguish than possibly we imagine, and I do think that one of the greatest duties we owe the country, as a federal parliament is to provide for these old people some means of living decently after they have properly contributed their share to the state.

Mr. JOS. T. SHAW (West Calgary): I want to indicate briefly my reasons for voting for the amendment and against the proposal of

the committee. The committee has had this matter under consideration a great many months, not only during this session but in the preceding session as well; and last session, after communications had been received from the provincial governments, the conclusion was reached that nothing like unanimity could be secured from the provincial authorities in regard to this scheme. This year apparently, for what reason I do not know, the committee seems to have followed the same path, having tried to secure the consent of the provinces. And again it has failed. I think we all agree as to the necessity for an old age pensions scheme in Canada. There is no one who would not approve of a proposal of that character, carried out in accordance with constitutional necessity. Speaking for myself, while I favour this scheme, I am not going to be a party to loving the proposal to death by referring it to any conference to be called some time in the future. What hope is there of securing anything like unanimity by means of a conference? The committee so far has not secured that unanimity; is there any hope that the conference will secure it?

Mr. GOOD: Is unanimity necessary?

Mr. SHAW: I do not think it is; I am coming to that point. Now, just to illustrate what I mean, I want to refer to the summarized answers of the various provinces in Canada to the proposal made by the committee:

New Brunswick. This government does not disapprove the principle of old age pensions. It would be impossible, however, to commit the province to any action in this matter at the present moment, as it is now considering the establishment of "widows'" pensions.

What hope is there of securing any consent from New Brunswick?

Quebec. Considering the obligations actually imposed upon the province, there could be no question of adopting a law which would take care of old age pensions at the present time.

That is the attitude of the province of Quebec. Is there any reason for thinking that if a conference were called in the next few months they are going to change their attitude at the request of the chairman of the committee and of some other members of the committee who may then be present?

Nova Scotia. Without a further and better understanding of the subject matter, and without an opportunity to fully discuss the matter with the committee, no action would be taken upon the matter at present.

Prince Edward Island. This province, having no municipal government, furnishes directly all assistance to indigent aged persons. The premier states that the proposal will be considered.

Manitoba. Under date of February 25, 1925, the attorney general wrote that he would take up the matter with the Premier and the Minister of Public Welfare at the earliest opportunity.

Saskatchewan. This government is of opinion that the scheme can best be adopted by the federal government alone. It points out the difficulty of providing any scheme that would be suitable to all the nine provinces. It also points out that, "if any number of the provinces were to remain out, it would be almost impossible to adopt any scheme that would not subject those provinces within the arrangement to considerable expense that should rightfully be borne by those outside the scheme."

Alberta. This government approves of the general principle of old age pensions, but is not prepared to accept the recommendations of the committee. It points out: (1) that the federal government should assume a larger share of the financing of the scheme as it is more a federal obligation, it states, than a provincial one; (2) it is not satisfied that a non-contributing scheme is the best one; and (3) that there is no guarantee that the federal government would continue for a definite time to carry out the mutual arrangements with respect to its financing.

British Columbia. This government writes that the matter of old age pensions has been carefully considered by the government and also by the provincial legislature, and the consensus of opinion was that the matter is one entirely in the sphere of the federal parliament, and that it did not concur in the suggestion made by the committee that a portion of the cost of such pensions should be borne by the province.

Ontario. Under date of November 24, 1924, the Premier wrote: "I shall be glad to consider this matter."

That is the situation at the present time. Some of the provinces feel that the obligation is on the federal government alone, some are prepared to consider the matter, and some are not. I see no hope of securing unanimity by referring the matter to any conference convened in the future.

Now, the Justice department indicate very clearly the legal position in this matter, according to the report of the committee. The department advises:

The subject of old age pension does not fall specifically within any of the enumerated subjects given to the Dominion under section ninety-one of the British North America Act, but does fall within the subject of "property and civil rights in the province" committed to the provinces under section ninety-two.

The Deputy Minister of Justice adds:

I am of opinion therefore that the subject matter of pensions has been entrusted to the provincial legislatures rather than to parliament. I do not mean to suggest that parliament has not the power to legislate upon the subject so as to assist the provinces or to establish an independent, voluntary scheme, provided that in either case the legislation does not trench upon the subject matter of property and civil rights in the province, as for example by obligating any province or person to contribute to the scheme.

If I understand the situation aright, Mr. Speaker, this parliament has no power under the British North America Act to pass any legislation that would impose an obligation upon the provincial governments with respect to old age pensions.

Mr. LOGAN: Would the hon. member mind reading the balance of the deputy minister's opinion?

Mr. SHAW: I shall be glad to.

The enactment of such legislation would, however, involve the assumption by the Dominion of obligations involving heavy expenditures with regard to a matter which does not fall specifically within the Dominion field of legislation.

This is, of course, the opinion of the Deputy Minister of Justice, but I have no doubt the scheme would involve a considerable obligation. Now, what can we do, if we want to do anything? The only course we can take is to pass legislation appropriating certain sums of money and saying in effect to the provincial governments, one and all: If you pass an old age pensions scheme along certain lines, we are prepared to contribute of our resources up to a specified extent. That is the situation as I understand it: it must be an entirely voluntary scheme in order to keep within the provisions of the British North America Act. But this is not the only matter in the same position. Parliament has not hesitated to provide large sums of money by way of a housing scheme and for highway purposes, and the legislation under which the money was appropriated stands in exactly the same category as the legislation proposed in this case. To my mind it is far more important, and far more imperative, that we should pass legislation for old age pensions that that we should place upon the statute books federal legislation in aid of highways and housing.

Mr. VIEN: Does not the hon. member recall that we have done away with the subsidies in respect of highways and housing?

Mr. SHAW: The hon. gentleman may be right in regard to the housing legislation, but this session we have expressly extended the period within which the provinces can secure the benefit of the appropriation for highway purposes.

Mr. VIEN: But only for the unexpended portion of the vote.

Mr. SHAW: Well, if it was wrong, why did not my hon. friend object to any vote at all for the purpose?

Mr. VIEN: I did object.

Mr. SHAW: The matter of old age pensions is in exactly the same category from a constitutional point of view. In my opinion, it is far more vital, it is far more imperative, that parliament should declare itself on this important matter now. As I said before, I am not going to be a party to postponing forever much-needed legislation of this character. I agree with the hon. member for Cumberland (Mr. Logan) that action should be taken, and I do not think anything will be gained by delaying it further. If necessary, I am prepared to stay here for another month, and I am sure a large number of members are prepared to do the same, in order to see that such legislation as meets with the approval of parliament is passed to put into effect an old age pension scheme.

Mr. M. N. CAMPBELL (Mackenzie): Mr. Speaker, may I point out that there will be very great difficulties in securing a fair and reasonable working out of any scheme such as is proposed by the committee in their report. We will assume, for instance, that under this scheme the province of Ontario accepted the federal government's proposal and put it into operation, but that the province of Quebec refused to do so. Immediately there would be a hardship on the taxpayers of Quebec because they would thus be compelled to contribute their share towards the operation of the scheme in Ontario without securing any of its benefits themselves. But let me point out how it would operate in regard to individuals. An old couple might have lived perhaps all their lives in the province of Quebec and then in their declining years, moved to the province of Ontario. Probably under the regulations governing old age pensions they would be required to prove ten years' residence in Ontario before they would be eligible for pensions. In that case Ontario would be supporting them although they had lived fifty or sixty years in the neighbouring province. On the other hand, a couple might have lived in Ontario all their lives and then moved to one of the other provinces for, say, one year, afterwards returning to their original home, and this break might render them ineligible for pension benefits in Ontario. It seems to me therefore that it is impossible to secure a fair and equitable working out of such a scheme of co-operation between the federal government and the provinces.

Mr. W. G. RAYMOND (Brantford): Mr. Speaker, in view of the amendment, may I say a word in defence of the report? I thought the correspondence between the premiers of the provinces and the committee which appears in our report would have been read by the members of the House, and therefore was a matter of general knowledge, but I was very glad to hear the hon. member for West Calgary (Mr. Shaw) read that correspondence, and I think in it we find the reason for the report of the committee. That is to say, the provincial premiers pointed out that they want to look into this matter further,

and the report of the committee, by suggesting a meeting with the premiers, gives them an opportunity for discussing the scheme fully.

Now, let me point out the position before the House in adopting either the report of the amendment. The report will carry on further the work that was taken up by the committee. The amendment will stop it by referring the matter back to the committee, whose functions end with this parliament, and therefore such action will absolutely squelch the scheme. We wish to see the work carried on and discussed in conference with the premiers of the provinces. If it is discussed, I am sure that an amicable arrangement can be come to. In the correspondence the premier of British Columbia says in his last letter that he has seen a different light on the question to what he had when the resolution was moved in the legislature of his province, which resolution was forwarded to the committee by the lieutenant governor. The amendment to the report proposes the alternative of an annual expenditure of $23,000,000, not merely a vote of this sum, and the majority of the members of the committee did not feel prepared to take the responsibility of recommending such a large annual outlay.

Further, I may state that in the discussions of the committee there were those who wished that instead of $20 a month the amount should be $40. That would make the sum involved $46,000,000 instead of $22,000,000, and the age would be reduced according to the ideas of these members from 70 to 65 which would have added forty or fifty per cent further to the necessary annual expense to carry out such a scheme as seems to be their objective. It appears to me that it is what may be described as the "freedom of irresponsibility" that gives members the liberty to recommend such a large annual expenditure to this House, and I feel confident that such an act never would pass. But the scheme proposed by the committee is one which approaches nearer the end and object of the committee and which will carry out their purpose. I do not wish to go over the evidence that was presented to the committee, it is all in the report for the benefit of those that are interested. But I say, and I say it with the greatest respect that the hon. member for Mackenzie (Mr. Campbell) and the hon. member for West Calgary (Mr. Shaw) who have spoken on the subject, have shown by the remarks they have made that they have not read or considered the committee's report. I would therefore, Mr. Speaker, urge the House to adopt the report of the committee with a view to the furthering of this very desirable scheme of old age pensions.

Mr. J. S. WOODSWORTH (Centre Winnipeg): This question has been before the House, according to the committee's own report of last year, since the year 1907. The adoption of the report simply means that action will be deferred indefinitely. I would point out that the adoption of the amendment means that this question goes back immediately to the committee, and might be reported on to the House to-morrow. Information has been assembled by the committee during the past two years, the outlines of the scheme are already there; and the House can immediately set up a scheme either of carrying out old age pensions directly or of carrying them out in those provinces that were willing to co-operate according to the original scheme of the committee. So that there is really no reason why immediate action may not be taken.

By the report of the committee we are recommended to send the whole question to another conference. I would urge that these conferences, as we have had them year after year on different subjects, have proved themselves to be absolutely futile; it is simply another way of stalling the matter. We have already met with the provinces. What could we secure more than we did a year ago on the question of unemployment? We get these representatives together, they say what they want—it is what they have already said—a good deal of publicity is given to the matter, the government has made a show of doing something, and the question is stood over once more. We have had this exhibition again and again, it seems to be the favourite tactics of the government to work along these lines. Here we have only another example of it. Why should we not take action on this matter that has been before the country for nearly twenty years?

Mr. GOOD: What would happen if the report were referred back and the committee did not report this session?

Mr. IRVINE: Why should they not report?

Mr. GOOD: They might not.

Mr. IRVINE: They ought to.

Mr. WOODSWORTH: There is quite a possibility that they might not report and that only suggests to those interested throughout the country the extent of the sincerity and earnestness of the government in this matter. Proposals affecting the welfare of

large numbers of our fellow citizens, can be shoved into the last dying moments of the session and then we are told we cannot do anything. A similar course has been followed before. This is but another illustration of the trouble that exists as between the Dominion and the provinces, and again the British North America Act is quoted. A year ago on the very last day of the session we had a similar situation with regard to the eight-hour day proposal. On that occasion the report of the committee was not even recommended to the House until it was forced by hon. gentlemen on this side. Then the final result of considerable investigation by the committee was a reference of the whole matter to the Supreme court for decision. Then in the argument in the Supreme court on that matter we had the very curious spectacle of at least one of the provinces pleading that the responsibility was altogether on the Dominion government with regard to the eight-hour day, and the Dominion government trying to shoulder it on the provinces. I take it that the original idea of the British North America Act was to safeguard the rights of the provinces, but that act is being used to evade responsibility, with the result that we get nowhere and in the meantime people suffer.

Mr. NEILL: Does the hon. gentleman seriously suggest that the Department of Justice is privy to a scheme to let the government evade responsibility?

Mr. WOODSWORTH: My statement was that the British North America Act would seem to have been designed to protect the rights of the provinces and yet that act is being used—

Mr. NEILL: By whom?

Mr. WOODSWORTH:—is being used to enable either the provincial or the federal government to evade responsibility.

Mr. IRVINE: May I ask the hon. member, does he think that in the event of this amendment not being carried and little coming out of the conference next year, it would be wise for the government to refer it to the League of Nations?

Mr. WOODSWORTH: The League of Nations? I do not know why that should be injected, except this: The social rights of the workers of this country are practically guaranteed by the League of Nations, and the Dominion government was a signatory to the peace treaty of Versailles. The Dominion government had its representatives at Washington where the conventions were ratified. Yet notwithstanding the reaffirmation of the conventions dealing with a number of questions like this, we have inactivity throughout all these years. I do not want to delay the House this morning to discuss the necessity of legislation of this character, but I should like to point out what is involved in the scheme as brought forward a year ago. The recommendation then was:

> That an old age pension system be established at the earliest possible date for deserving indigent persons of seventy years of age and upwards.
>
> That applicants for pensions must be British subjects of at least twenty years' residence in Canada or naturalized subjects of at least fifteen years' naturalization and twenty-five years' residence.
>
> That the maximum rate of pension be twenty dollars per month, which would be lessened by private income or partial ability to earn.

Let me say that there are few civilized countries in the world to-day that have not legislation of this character. Australia, we are told, has legislation. May I suggest that Australia is getting immigrants. We appeal for immigrants, and we make very little provision for our own citizens or for those who may come to us. Is it an extreme demand that we should take care of indigent persons of seventy years of age? Why, we do not even propose that. We limit that by saying "deserving" indigent persons of seventy years of age. Surely if men or women have worked in this country for the upbuilding of Canada, it ought to be possible that the Canadian people are strong enough and wealthy enough to take care of them after they are seventy years of age. Is that too much to ask? But we do not ask even that. We say that it is only British subjects that are to be taken care of, or subjects who have been naturalized within the last fifteen years and have had twenty-five years residence in this country. We limit the scope of the provisions very narrowly. Further than that, we do not propose to take good care of our aged; we are going to give them only $20 a month with deductions if they have other resources. We find ourselves, in this Canada of ours with all its boasted wealth, incapable, apparently, of taking care of this comparatively small group of persons.

I notice that we have in the supplementary estimates a vote of a very considerable sum of money as a pension for one of the outstanding members of this House. Some of us hardly know how to vote on a matter of that character. We quite agree that there has been service rendered; we quite agree that there has been eminent service rendered; we quite agree that the gentleman concerned has not attempted to graft out of the country. But why should one Canadian be picked

out and given an annuity of $10,000 a year when other Canadians, who according to their ability and station in life, have served just as faithfully, should be denied $20 a month? I say it is not fair, and as representing one group of those who are called the common people of this country, I want to protest against the apathy and inaction of parliament in dealing with this important matter.

Mr. SPENCE: As one member of the Old Age Pension committee, I may say that we have given this matter a great deal of consideration, and I hope that at this late hour of the session we shall not take up too much time discussing it. The hon. member for Brantford (Mr. Raymond) has given the House the effect of the recommendations of the committee, and may I say that the recommendations we have made will get somewhere? But the amendment moved by the hon. member for East Calgary (Mr. Irvine), and supported by the hon. member for Centre Winnipeg (Mr. Woodsworth), is simply playing to the gallery. We had no intention of stalling this old age pension question; that was not our desire at all. We have made a recommendation, not to the effect that a special conference should be called, but I understand that a conference is going to be held this fall of the premiers of this Dominion, and at this conference this matter can be taken up. We cannot hope to go into this scheme at all.

Mr. IRVINE: Why not?

Mr. SPENCE: The cost is entirely too high. At the present time this country cannot bear it.

Mr. IRVINE: Then why not have the courage to say so, to tell the people the truth?

Mr. SPENCE: We are.

Mr. IRVINE: You are not.

Mr. SPENCE: We feel that the administration by the provinces would be much cheaper. The overhead would not be so large. We have given this matter all the consideration that is necessary, and I hope the House will pay absolutely no attention to the amendment that has been moved to the committee's recommendations.

12 noon.

Mr. SUTHERLAND: The Votes and Proceedings of yesterday, I notice, contains a copy of the committee's report, and in looking over it I see that the advice of the Deputy Minister of Justice was asked for by the committee in regard to this matter. My reading of the report of the Deputy Minister of Justice is that this is entirely a provincial matter, unless it is on a voluntary basis which does not affect property rights. The report of the committee would indicate that they are taking action in this matter, whereas, according to the opinion of the Deputy Minister of Justice, this is purely a provincial matter and should be left to the provinces to deal with, if dealt with at all. I think it is absolutely a waste of time to discuss this matter at this stage, or at any other stage.

The House divided on the amendment (Mr. Irvine), which was negatived on the following division:

YEAS

Messrs.

Bancroft,	Good,
Bird,	Irvine,
Black (Yukon),	Kellner,
Campbell,	Kennedy (Edmonton),
Church,	Leader,
Coote,	Shaw,
Davis,	Ward,
Gardiner,	Woodsworth—17.
Garland (Bow River),	

NAYS

Messrs.

Anderson,	Forrester,
Archambault,	Fournier,
Baldwin,	Gendron,
Beaubien,	Gordon,
Béland,	Gould,
Benoit,	Graham,
Binette,	Hammell,
Black (Huron),	Hanna,
Bouchard,	Hanson,
Bourassa,	Harris,
Bowen,	Healy,
Boys,	Hoey,
Brethen,	Hopkins,
Bristol,	Hubbs,
Brown,	Hudson,
Caldwell,	Hughes,
Cardin,	Humphrey,
Carmichael,	Hushion,
Casgrain,	Jacobs,
Charters,	Johnston,
Chevrier,	Jones,
Chew,	Kay,
Chisholm,	Kennedy (Port Arthur & Kenora),
Clark,	King (Huron),
Clifford,	King (Kootenay),
Copp,	King, Mackenzie (York)
Crerar,	Knox,
Déchène,	Lanctôt,
Delisle,	Lapierre,
Denis (Joliette),	Lapointe,
Denis (St. Denis),	Lavigueur,
Desaulniers,	Lewis,
Descoteaux,	Logan,
Desrochers,	Lovie,
Dickie,	Low,
Duncan,	Macdonald (Pictou),
Euler,	MacLaren,
Evans,	MacLean (Prince, P.E.I.)
Fafard,	Maclean (York),
Fansher,	McBride,
Findlay,	McConica,
Forke,	

McCrea,	Roberge,
McIsaac,	Robichaud,
McKay,	Robinson,
McKillop,	Robitaille,
McMaster,	Ross (Simcoe),
McTaggart,	St. Père,
Malcolm,	Sales,
Manion,	Savard,
Marler,	Séguin,
Mewburn,	Sexsmith,
Michaud,	Sheard,
Millar,	Sinclair (Oxford),
Milne,	Sinclair (Queens, P.E.I.),
Morin,	Spence,
Morrison,	Stansell,
Motherwell,	Steedsman,
Munro,	Stewart (Argenteuil),
Neill,	Stewart (Hamilton),
Papineau,	Stewart (Humboldt),
Pouliot,	Stewart (Leeds),
Power,	Stirling,
Preston,	Sutherland,
Pritchard,	Tobin,
Rankin,	Tolmie,
Raymond,	Vien,
Reed,	Walsh,
Rinfret,	Wilson,
Robb,	Woods—139.

Mr. HUGHES: I was paired with the hon. member for Battle River (Mr. Spencer). When going to Montreal he asked me to consult the Whip of the party.

Some hon. MEMBERS: Order, order.

Mr. HUGHES: I am asking permission to make an explanation. I instructed the whip that I was paired with the hon. member and the whip said he did not know how the hon. member would vote on the motion if he were here. Therefore, I voted against the amendment.

Main motion (Mr. Raymond) agreed to.

PRIVATE BILLS

FIRST AND SECOND READINGS

Bill No. 214, from the Senate, the relief of Ella May Stacey.—Mr. Jacobs.

Bill No. 215, from the Senate, the relief of Jessie Harriett MacKay.—Mr. Boys.

Bill No. 216, from the Senate, the relief of Edna Fox.—Sir Henry Drayton.

Bill No. 217, from the Senate, the relief of James Jackson.—Mr. Church.

Bill No. 218, from the Senate, the relief of William Frederick Hamilton Strangway.—Mr. Duff.

CANADIAN PACIFIC RAILWAY COMPANY

Mr. E. N. HOPKINS (Moose Jaw) moved:

That in accordance with the recommendation contained in the fifth report of the select standing committee on Railways, Canals and Telegraph Lines, the additional charge of $200 levied and paid, under rule 89 subsections 3 (c) and 8, on Bill No. 187, respecting the Canadian Pacific Railway Company, be refunded.

[Mr. Sutherland.]

Mr. SHAW: Does the Acting Minister of Finance (Mr. Robb) approve this action?

Mr. ROBB: No.

Some hon. MEMBERS: Explain.

Mr. E. J. GARLAND (Bow River): I admit complete ignorance of this matter, and I should like to ask an explanation from the mover. I do not see why we are asked to refund this $200 for the Canadian Pacific Railway Company, of all companies in Canada.

Mr. SPEAKER: I may say that the motion reads that it is in conformity with the recommendation of the select standing committee on Railways, Canals and Telegraph Lines.

Mr. A. J. LEWIS (Swift Current): I was in the committee. The matter was fully discussed by the committee and it was recommended. Of course the motion is in conformity with the recommendation of the committee.

Motion agreed to on division.

BUSINESS OF THE HOUSE

SITTINGS OF COMMITTEES

Right Hon. W. L. MACKENZIE KING (Prime Minister): There are one or two motions which I wish to make, but I did not care to make them when the leader of the opposition (Mr. Meighen) was not in the House. I move:

That as in accordance with the resolution adopted on the 16th instant, the House will be meeting at eleven o'clock for the remainder of the session, the standing committees of the House be given leave to sit while the House is in session.

Motion agreed to.

SATURDAY SITTINGS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That on Saturday, the 20th June instant, the House shall meet at eleven o'clock in the morning, and that, in addition to the usual intermission at six o'clock p.m., there shall be also an intermission from one to three o'clock p.m., and that the order of business and procedure on that day shall be the same as on Fridays.

May I say in connection with this motion that, while the government would like the House to sit on Saturday morning and afternoon, it is not the intention to sit on Saturday evening.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

VANCOUVER OLD POST OFFICE SITE

Mr. BLACK (Yukon):

1. Having reference to the old post office site, corner Pender and Granville streets, Vancouver, British Columbia, (*a*) has the government advertised this property for sale; (*b*) when were bids due; (*c*) how many offers were received and from whom; (*d*) what was the highest tender, if any?

2. Before advertising the said property, did the government secure estimate of value by individual appraisal; if so, by whom was the property valued and what was the amount of the said appraisal?

3. Has the government secured information of the value of property similarly located which has been sold?

4. Is the government aware that there has been considerable movement of property in Vancouver in this neighbourhood, with the prospect of steadily increasing values in the near future?

Hon. Mr. KING (Kootenay):

1. (a) Yes.
(b) April 30, 1925.
(c) and (d) Richards, Ackroyd and Gall—$300,000 subject to purchase of Winch building, for $700,000. The British Columbia Estates Ltd., $247,000.

2. Resident architect estimated site $200,000, building $60,000, total $260,000. Assistant resident architect stated from the assessment it would appear the old post office site would be worth from $340,000 to $360,000. In November, 1924, H. V. Sharples considered value of property to be $300,000.

3. Yes. Property adjoining old post office on Granville Street, lot 45 x 130, sold to A. J. Buttimer for $165,000. Property southwest corner Granville and Dunsuir, lot 50 x 120, sold to Quagliotti for $215,000.

4. No; with the exception of the two properties mentioned in No. 3.

EDMONTON—SOLDIER SETTLEMENT

Mr. KELLNER:

1. Did the government recently rent additional office space for the Soldier Settlement Board in Edmonton, Alberta?

2. If so, are there any other governmental offices housed in the same building?

3. How much rent is the government paying for this building?

4. What is the term of the lease?

5. Who is the owner of the building?

Hon. Mr. KING (Kootenay):

1. No additional office space is being rented but it is proposed to transfer the Soldier Settlement board from the Williamson block to the Blowey-Henry building.

2. Yes. The Customs examining warehouse and the Dominion Lands branch of the Department of the Interior. It is proposed also to house in this building the superintendent of western land agencies, income tax, fisheries office, food inspector, medical health office and forestry branch.

3. The amount of rent paid prior to above transfer, $13,775. Proposed amount to be paid for additional space, $7,150.

4. New lease to be effective from the date occupied and to terminate concurrently with existing lease namely August 1, 1929.

5. Blowey-Henry Company.

PRISON REFORM

Mr. CHURCH:

1. Is it the intention of the government to so readjust and add to the number of trades or industrial output of penal institutions so that all inmates may find work and thus enable the families, wives, children and dependents of inmates to receive pay? If not, why?

2. Will anything be done this session, or an opportunity given of continuing the adjourned debate on this question before the House prorogues?

Hon. Mr. LAPOINTE: 1 and 2. Under consideration.

ST. JOHN, N.B., TRIPARTITE AGREEMENT

Mr. MacLAREN:

Is it the intention of the government to carry out the Tripartite agreement (so called) made between the Dominion of Canada, the Canadian Pacific Railway and the City of Saint John, New Brunswick, for the purpose of developing terminal transportation facilities on the west side of the harbour?

Hon. Mr. KING (Kootenay): Yes.

IMMIGRATION DISBURSEMENTS

Mr. DOUCET:

What was the total disbursement of the Department of Immigration and Colonization for the years 1921-1922, 1922-1923, 1923-1924, 1924-1925?

Hon. Mr. ROBB:

1921-22	$2,213,327 93
1922-23	2,354,975 34
1923-24	3,482,986 90
1924-25	3,160,525 04

The total for 1923-24 includes the sum of $649,881.97, spent on account of the British Empire Exhibition, while the total for 1924-25 includes $599,796.86 spent on the same account.

IMMIGRATION STATISTICS

Mr. DOUCET:

What was the total number of immigrants admitted into Canada during the years 1921-1922, 1922-23, 1923-1924, 1924-1925?

Hon. Mr. ROBB:

1921-22	89,999
1922-23	72,887
1923-24	148,560
1924-25	111,362

QUESTIONS PASSED AS ORDERS FOR RETURNS

RETURNED SOLDIERS IN PENITENTIARIES

Mr. CHURCH:

1. How many returned soldiers of the great war are detained in the penitentiaries of Canada, and where?
2. What inspection is there of these institutions, by whom, when, and are government officials the only inspectors?
3. Is it the intention of the government to introduce legislation this session to empower grand juries, sitting at the assizes or general sessions of the peace holden in the municipality where these institutions are or the nearest municipality, regularly to visit and inspect these institutions, similar to the law of England and all the oversea Dominions (Canada excepted) and in the same way that juries now visit provincial prisons?
4. If not, why not?

JUVENILES IN PENITENTIARIES

Mr. CHURCH:

1. How many juveniles under 18 are now detained in the penitentiaries of Canada, where, and how many are 16 or under, 17, 18 and 19 years of age?
2. Is it the intention of the Government to give effect to the recommendations for years of grand juries and public bodies to provide separate institutions for these cases? If not, why?
3. Is it the intention of the Government to so readjust the rules of these institutions so that juveniles and first offenders will have preferential rules and also a better classification consideration to those of repeaters?
4. Is it the intention of the Government in the recess of Parliament to appoint a Royal Commission or Committee of the House to go into the whole question of prison reform in Canada as suggested in the debates in Hansard, 1922? If not, why not?

SENATE REFORM

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): The government opened parliament with a promise that they would get authority from parliament to call a provincial conference with a view to securing the agreement of the provinces to amend the British North America Act so as to curtail the powers of the Senate. We are now approaching the end of the session, and we are reminded of the anniversary of the same threat of a year ago. I think we should not close this session until we know about what time this conference is going to be called and what proposals the government intends to submit to it.

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to the proposals, I might say the government has not as yet had time to consider the agenda, but any conclusions the conference may come to will be presented to parliament for discussion when parliament reassembles.

The government will commit parliament to nothing. As my right hon. friend knows, during the session the government's time is very much occupied with the business that is transpiring from day to day and a conference of this character will require careful consideration before being entered upon. I am not at the moment in a position to say what the agenda will be. The government will seek to bring before the conference the representations that have been made from different quarters with respect to changes that are believed to be in the public interest and which should be discussed. The conference will not be confined to matters relating to the Senate but will take up possibly such a question as the one discussed this morning with reference to old age pensions, and other matters which it may be deemed advisable to confer upon with the provinces generally.

Mr. MACLEAN (York): And the right to amend our own constitution, as proposed by myself.

Mr. MACKENZIE KING: That is another matter that might well be considered. The interjection of the hon. member for South York is sufficient to indicate that the government would wish to prepare its agenda with care before announcing it to the public. As to the date of the conference, we would wish to be guided by what appeared to suit the convenience not only of our government but of the provincial governments as well. Beyond stating that an announcement will be made in plenty of time to enable all parties who wish to be represented to be here, I cannot assign any definite date.

Mr. MEIGHEN: Does the Prime Minister mean to imply that the proposal on which he was very definite a year ago is now in an indefinite form, or that the government will submit that proposal with its approval to the conference?

Mr. MACKENZIE KING: I have already intimated that the government will endeavour to bring together the various proposals that have been discussed and have been receiving consideration throughout the country, and will present them to the conference. As to just how the government will present matters to the conference, whether it will be in the form of recommendations from the government itself, or whether the conference will proceed by way of general discussion with a view to arriving at certain propositions, is a matter still to be considered.

Mr. MEIGHEN: For my part, I now bid good-bye to all prospects.

WAR IMPRISONMENT OF DR. BELAND

On the Orders of the Day:

Mr. H. A. STEWART (Leeds): May I ask when we may expect the return, which was ordered on May 25, of correspondence relating to the imprisonment of one Dr. Beland during the war? Will that correspondence be brought down before the end of the session?

Right Hon. W. L. MACKENZIE KING (Prime Minister): There have been some communications with the home government with reference to the correspondence in question but I am unable to say at the moment whether final reply has been received as to its willingness to have the correspondence submitted. However, I will inquire into the matter.

OLD AGE PENSIONS

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): In view of the fact that there is some question of jurisdiction involved as between the federal and the provincial authorities, would the government undertake during the recess of parliament to submit a stated case for the opinion of the Supreme Court of Canada on the question of old age pensions?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I should have to confer with the Minister of Justice on that question.

EXPORT OF POWER

On the Orders of the Day:

Sir HENRY DRAYTON (West York): May I ask the Minister of Trade and Commerce (Mr. Low) again whether that order in council has yet been passed for the relief of certain municipalities from the export tax on electricity? Will he undertake to table the order in council before the close of the session?

Hon. T. A. LOW (Minister of Trade and Commerce): I have nothing to add to my answer of yesterday.

Sir HENRY DRAYTON: It was no answer.

TRANSFER OF NATURAL RESOURCES OF THE PROVINCES

On the Orders of the Day:

Mr. J. A. CLARK (Burrard): Is the Minister of the Interior (Mr. Stewart, Argenteuil) in a position to-day to state when the return will be made to the question I put on February 23 last, and to which I referred yesterday, on the question of the natural resources of the provinces?

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): I must confess to neglect in this matter. I promised the hon. member yesterday that I would bring it to the attention of the officials and I completely forgot. However, I will make a note of it now and see that the return is made to-morrow.

Mr. MEIGHEN: There are a great many other orders outstanding, and I may warn the government that they will be recited to-morrow. I hope some of them will be brought down.

YUKON GOVERNMENT OFFICIALS—INCOME TAX EXEMPTION

On the Orders of the Day:

Mr. GEORGE BLACK (Yukon): On March 9 last an order was passed for the return of correspondence and documents relating to exemption or partial exemption from payment of income tax by Yukon officials. The resolution was moved by myself and I waited until May 19, when I ventured to inquire whether the return would be brought down. On that occasion the Acting Minister of Finance (Mr. Robb) promised to look into the matter, and the next day, without any intervention on my part, he said:

> The secretary of the department has communicated with Mr. Breadner, who expects to have the return ready early next week, if not sooner. It may be ready to-morrow.

Again, on May 27, I asked whether the return might not be brought down and I was assured that it would be down in a few days. On June 5 the Prime Minister was kind enough to say that he would call the matter to the attention of the minister and request that it be attended to. Now, I happen to know that the information has been prepared, and I cannot understand why the formality of presenting it to the House has been so long delayed. I hope the return will be brought down.

Hon. P. J. A. CARDIN (Minister of Marine and Fisheries): The documents are ready to be forwarded to the Secretary of State's department for the preparation of the return.

BY-PRODUCT COKE OVENS

On the Orders of the Day:

Mr. JOS. T. SHAW (West Calgary): Will the Minister of Mines be good enough to inform the House when he intends to move the resolution now on the order paper with respect to by-product coke ovens?

Hon. CHARLES STEWART (Argenteuil, Minister of Mines): As soon as the freight rates question is out of the way we shall be ready to discuss the matter.

RAILWAY FREIGHT RATES

BILL TO AMEND THE RAILWAY ACT, 1919

The House resumed, from June 17, consideration in committee of Bill No. 181, to amend the Railway Act, 1919—Hon. Mr. Graham—Mr. Gordon in the chair.

On section 3—Power to fix rates and enforce fair and reasonable rate structure.

Mr. MACKENZIE KING: The criticism that has been directed by hon. gentlemen opposite against the government with respect to the legislation before the House has come from diametrically opposite and antagonistic points of view. Gentlemen immediately opposite have criticized the government on the ground that in the effort to have a policy of equalization of freight rates adopted throughout the country we have not done away entirely with any security to the middle west with respect to the maximum rates on grain and flour, which were a part of the security afforded by the Crowsnest pass agreement. On the other hand, gentlemen of the Progressive party further to the right have criticized the government, not because we have not done away with this measure of security, but for the reason that we have not restored the Crowsnest pass agreement in its entirety—and, if I gather correctly, not only the Crowsnest pass agreement as interpreted in its application by the courts, but the Crowsnest pass agreement in its application, as assumed before judicial decision had been given by the Supreme court.

I may point out that this again amounts to criticism of the administration for not going in opposite directions at the same time. It is not dissimilar to the criticism that was made at the time tariff matters were under discussion, when hon. gentlemen immediately opposite criticized us because we had not raised the tariff higher, and the members of the Progressive party criticized us because our tariff proposals were not lower. The nature of the criticism coming from the other side of the House simply helps to emphasize the very difficult position of any government which attempts to deal with a problem that affects all parts of Canada, and to deal with it in a manner calculated to bring in effect the application of one great governing principle that will be just and equitable to all parts concerned.

As to retaining the rates on grain and flour, the government has felt that it is dealing with a condition, not with a theory. Theoretically, I do not believe it can be disputed that the only basis on which freight rates can properly be fixed is that of allowing to the railway commission an absolutely free hand. That is unquestionably the sound, theoretical position. On the other hand, in the endeavour to make effective that policy the government, as I have said, is confronted with an existing condition—that at the present time and for many years past the middle west has had a certain degree of protection in its maximum rates guaranteed by the Crowsnest pass agreement under an act of parliament passed many years ago. That agreement still continues and is now in force as interpreted by the Supreme court in its recent decision. In the present form it is satisfactory to no one. The government has had to consider the circumstances under which that agreement came into being, the position of western Canada today as contrasted with the time when the agreement was entered into, and also what would be the effect at this moment, having regard to the sentiment of the middle west and to other considerations, of the complete removal of any security to the middle west respecting maximum rates on the important commodities of grain and flour. When the agreement was entered into twenty-seven years ago the western provinces were virtually unsettled—as a matter of fact all three had not been created at the time—the government of the day was striving to induce immigrants to colonize and settle there. Moreover, there was at the time but one railway company operating throughout western Canada, a railroad monopoly, and there was no prospect of competing lines being constructed within the near future. There was also at that time no rate-regulating body such as later was appointed by parliament—the Board of Railway Commissioners.

Now, the change that has come about since that time must be apparent to all. A very considerable development has taken place in the middle west, provincial governments have come into being helping to safeguard the interests of their provinces. There have been constructed two competing railway systems, now merged into one and forming part of our great Canadian National Railway System. This of itself has raised a question which was not then present—this great nationally owned railway system has to be considered. And here again we are confronted not with a theory but with a condition, that

whatever is done in the way of fixation of rates as respects one line to which this agreement may apply, must also be done to apply equally, through the forces of competition, to a competing system—a system which is occasioning all parts of Canada financial embarrassment of a very considerable magnitude. I hope, therefore, our friends from western Canada will appreciate the change which has taken place in the situation since the Crowsnest pass agreement was entered into, and discern wherein the government in the course it has taken has sought to go just as far as circumstances will permit in enabling the larger policy of equalization of freight rates to be worked out in a manner which will help to maintain and further to the fullest possible extent a sentiment of mutual interest and national unity throughout the Dominion.

I have been looking over some of the speeches which I made in western Canada last fall, and which were quoted, in part I think, by the hon. leader of the Progressive party (Mr. Forke) in his remarks the other evening. I notice in speaking on the prairies I intimated very clearly that my view was that the railway commission was the right body to fix freight rates and should be given a free hand in the matter, but that I felt it should expect to receive directions from the government on matters of national policy. When speaking in Vancouver and Victoria I made similar statements, and I added that one of the great national considerations of which account should be taken by the railway commission was the position of the three prairie provinces in particular with respect to the two commodities upon the production and export of which the prosperity of this country largely depends, and that some consideration also should be given to the circumstance that other parts of Canada were to a very large extent protected with regard to maximum rates through water competition, a protection which the middle west did not have, and that it was only the part of national wisdom and justice that this particular factor should be taken into account. The position I took on the prairies and in British Columbia was an identical one and is exactly the position which the government is taking in this legislation, namely, to endeavour to bring about a policy of equalization of freight rates between all parts of the Dominion, and in doing so to recognize with respect to the middle west the existence past and present of the application of the Crowsnest pass agreement, and that evolution rather than revolution is the proper method of procedure in every effort to further national unity by the application of a general principle; that this course demands that some special consideration be given the west at the moment without thereby working injury to the other parts of the Dominion.

In regard to allowing the maximum rates on grain and flour to remain, I would point out to my friends from British Columbia that the government is not adding restrictions to the railway commission but is rather subtracting from the limitations which the Crowsnest pass agreement had imposed in the protection afforded the middle west. In other words, it is allowing part of that agreement to remain, but it is taking away part. To that extent some sacrifice is being required of the middle west, but inasmuch as the railway commission is not given a free hand to equalize rates all over Canada regardless of the maximum rates that are being fixed for the middle west, to that extent also some sacrifice is being required of other parts of Canada. I ask, is it possible to gain support for any policy which demands a sacrifice only at one point and not at other points?

In the interests of national unity, in the desire to bring about a policy of equalization of rates, the government realizes that some sacrifice must perchance be temporarily borne by each of the provinces. We have sought to make that sacrifice as equal as we can as respects all parts of the country.

Now while we are taking away a part of the Crowsnest pass agreement under this arrangement, the government is extending the security with respect to flour and grain to an area much beyond that which was fixed in the original agreement. The mileage of the railways over which the arrangement will apply to-day is considerably greater than the mileage secured by the original agreement. Moreover it extends not to one railway only but to all railways in existence, and it extends also to all the railways that may be constructed during the time that this application may remain as it is. So I say to gentlemen from the middle west—

Mr. CRERAR: I am very interested in the statement the Prime Minister has just made because I think there are a good many people who have a doubt as to the effect of the legislation. Now, do I understand from the Prime Minister that the intention of the government is that the grain and flour rates under the Crowsnest pass scale shall apply to all sections of western Canada that ship their grain eastward?

Mr. GRAHAM: Without doubt.

Mr. MACKENZIE KING: Without doubt; I think I may re-echo what the Minister of Railways (Mr. Graham) says.

Mr. CRERAR: Then I shall have an observation or two to make on the amendment which the minister moved last night.

Mr. GRAHAM: I may get in ahead of my hon. friend and make a statement.

Mr. MACKENZIE KING: May I supplement what I have said with special reference to hon. gentlemen from the middle West by a word more particularly to the members from the province of British Columbia. The right hon. leader of the opposition in his remarks last night made the somewhat surprising statement that the order-in-council was so much "eye-wash" or "foam"—I think he used both expressions.

Mr. MEIGHEN: Hear, hear.

Mr. MACKENZIE KING: At any rate my right hon. friend now says "hear, hear." I suppose the right hon. gentleman means to suggest that it should be regarded as "a scrap of paper." Well, if that is the view of my right hon. friend, it is not the view of this government; and I would say to the House and the country that if this government remains in office it will not take the view of the order-in-council which my right hon. friend takes, but will regard that order-in-council as a direction to the railway commission as to how it expects this policy to be worked out, and will see that the policy is worked out in accordance with the terms of the order-in-council. The order-in-council sets out the government policy. It is a direction to the railway commission to equalize rates. That direction indicates how this government expects this policy of equalization to be worked out. And I would remind hon. members that there remains, as the commission itself well knows, an appeal from the commission to the governor-in-council with respect to matters of railway rates. This government has stated what its policy is with respect to the equalization of rates, and unless that policy is carried out in accordance with its intention—if this government is in office when the question comes up—and I have not the least doubt it will be—it will take care to see that the policy is carried out in the spirit and intent of the letter as expressed in the order-in-council itself.

Mr. LADNER: May I ask the Prime Minister, as I asked the Minister of Railways, this question: If the government's intention is so strong with regard to western freight rates why did it not give the same privileges and rates on grain going westward to Vancouver to the markets of the world as it gives to grain going eastward to the markets of the world? Why did the government fix definitely the rates on these products going eastward and refuse to fix them so far as grain and flour going west are concerned?

Mr. MACKENZIE KING: I think the Minister of Railways has already made that point clear, and I will repeat what he said: The government had to consider, in presenting its policy to the railway commission and to parliament; whether it would do so with reference to legislation that is already on the statutes or whether it would seek to create by fresh enactment new agreements or undertakings thereby making an innovation in one direction which would create a demand for like innovations in other directions. We concluded that the proper method to proceed was to recognize the legislation that is on the statutes at the present time, and leave as much of it as would serve to meet the purpose which the government had in view with respect to fixing maximum rates on grain and flour, and expect the railway commission in developing the policy of equalization of rates, to follow a course which would be in accord with the direction given both by statute and by order in council.

Mr. MEIGHEN: Why did the government extend the statutory rates and multiply them three times? The statement has been made, and correctly made, that whereas previously they applied to 35 per cent of what they do now, they now apply to all—that is to say the statutory rates to the Crowsnest pass and the west are now made three times as great. What my hon. friend wants to know is when that was done why did not the government go further and extend the rates to the coast?

Mr. MACKENZIE KING: In answer to the first question asked, the practice has been just what the government is at present indicating. There has been no departure in that regard.

Mr. MEIGHEN: The Prime Minister is quite wrong. I have shipped grain myself, and I know it has not been the practice.

Mr. GRAHAM: Shipped grain west?

Mr. MEIGHEN: No, east.

Mr. MACKENZIE KING: I should like to read to the House a carefully prepared statement which I have made in reply to different gentlemen from western Canada who have asked what exactly was the government's

view with respect to the rates on grain and flour going west, and the effect of the legislation we are introducing in relation thereto. I imagine that no one in British Columbia, has paid more attention to the freight rates question than the Hon. John Oliver, Premier of the province, and one of the first communications I had after the order in council had been published was from Mr. Oliver asking for a specific statement in view of certain representations that had been made in the press with regard to the government's policy. I drafted an answer, but before sending it I took care to submit it to my colleagues in council in order that no question might arise later over any difference of view as to the significance of what that reply contained; this is the substance of, in fact it is, the statement given to Premier Oliver, and the statement which I have given also to other gentlemen in western Canada:

"The statutory enactment regarding grain and flour must be read in light of general policy as set forth in order in council that equalization of freight rates should be recognized to the fullest possible extent as being the only means of dealing equitably with all parts of Canada, and also that the board be directed to make a thorough investigation of the rate structures of railways and railway companies with a view to the establishment of a fair and reasonable rate structure which will, under substantially similar circumstances and conditions, be equal in its application to all persons and localities, having due regard and in particular to the increased traffic westward and eastward through Pacific coast ports owing to the expansion of trade with the Orient and to the transportation of products through the Panama canal."

Later I sent another communication—

Mr. LADNER: Would the Prime Minister give us the date of the communication he has just read?

Mr. MACKENZIE KING: The date has no significance. I am not quoting the telegrams, I am quoting a statement which I made and which sets forth the government's position. I later after making mention of the circumstance that the government's interpretation of the effect of the order and proposed statute was as indicated in the statement I have just made, made the further statement that the right to appeal from the board's decision to the Governor in Council being reserved should constitute a sufficient guarantee that the government's policy on equalization of freight rates will be carried out as intended.

Mr. NEILL: Will the Prime Minister clear up a point that has worried some of the British Columbia representatives? We will suppose the decision of the railway board is not satisfactory to the government of British Columbia, and they take an appeal to the Governor in Council. Will the government's expressed determination, or practically so, to have an equalization of rates on wheat going both east and west not be prohibited by reason of the recent Supreme court decision which says that a specific statutory enactment of a rate prevents its being used as a basis for equalization, or reduction of another rate?

Mr. MACKENZIE KING: The government's policy, as stated over and over again is a policy of equalization of rates. That does not necessarily mean, as I understand it, that as between provinces exactly the same rate per unit, per ton, per mile, shall prevail in regard to all commodities. Enough general knowledge exists of the difficulties of framing rate structures to have every hon. member realize clearly that matters of the kind are technical points that no assembly such as this could begin to pronounce upon. But there is an axiom of Euclid which says that things which are equal to the same thing are equal to one another, and my conception of the policy of equalization of rates is that the railway commission in dealing with a great problem such as this, would see to it, so far as British Columbia is concerned, so far as the prairie provinces and the maritime provinces and Ontario and Quebec are concerned, that a rate structure should be worked out which as respects the different provinces would help to make equal those things in their relation to each other, and help thereby to promote national unity and prosperity in trade and industry throughout Canada.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. GRAHAM: I am not sure whether the Prime Minister (Mr. Mackenzie King) had finished speaking or not, but while we are waiting I want to tell the House that we have been endeavouring to meet a suggestion which has been made that the wording of the amendment to section 5 might be made clearer. The amendment to section 5 which was proposed reads as follows:

—but shall apply to all the territory west of Fort William covered by tariffs filed with the board under the terms of said agreement at the date of the passing of this act and to all lines of railway now or hereafter constructed by any company subject to the jurisdiction of parliament within such territory.

I want to make it clear that the gentleman who advised me still insists that it is perfectly plain. But there has been a conference among several legal men, and they have evolved this amendment to make the situation clearer. The point raised was that in using the words "such territory" in the last line, reference could only be made to the territory west of Fort William covered by tariffs filed with the board under the terms of said agreement. As a matter of fact there is a great deal of mileage and different tariffs filed that in many cases were the same tariffs as those under the Crowsnest pass agreement, but they were not filed under that agreement because the lines were not under that agreement. It is a very technical point, but it is said it might raise a difficulty in the court. This is the section that has been agreed upon:

But such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur, over all lines of railway now or hereafter constructed by any company subject to the jurisdiction of parliament.

That new description I think is clearer. Then an amendment in subsection 6 would be necessary because the words "within the territory," would apply to the territory as described in the new amendment. Then another amendment is suggested to section 4, although my legal officers tell me it is not at all necessary. In order that there may be no question, it is suggested that in line 4, before the word "shall" the words "are and" shall be inserted, so that it will read "are and shall be deemed to be lawful tolls," and after the word "tolls" insert the words "until revised by tariffs filed with the board pursuant to this act." These words I am now suggesting make no difference in the principle of the amendment, but the legal gentlemen who have been conferring think that possibly it makes clearer what the intent was.

Mr. LADNER: Do I understand the Prime Minister is not going to answer the question which I submitted to him before adjournment?

Mr. GRAHAM: I am not saying anything about that. He is not here. The question can be put again.

Mr. CRERAR: Will the minister read the amendment again. It is rather difficult to see the picture clearly with the multiplicity of amendments we have had in this bill, and the conclusion that results from it. The amendment is not distributed and we have to depend simply on hearing it read by the minister. It is quite a vital section.

[Mr. Guthrie.]

Mr. GOOD: Read it with the amendments put in.

Mr. GRAHAM: After the figures "1897," in subsection 5 of section 3 this will be the amendment:

But such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur over all lines of railway now or hereafter constructed by any company subject to the jurisdiction of parliament.

Then in subsection 6 the amendment that I suggested last night, after the word "thereto," the words "within the territory" should still be inserted, because the territory to which reference is made is now described by the new amendment. Then in section 4, in the fourth line, before the word "shall" insert "are and" so that it will read:

Are and shall be deemed lawful tolls—

Then another addition—

Until revised by tariffs filed with the board pursuant to this act.

Mr. CRERAR: That is really independent of the other amendment?

Mr. GRAHAM: Yes.

Mr. CRERAR: We can discuss it when we come to it.

Mr. MANION: Do I understand that both amendments combined cover all grain and flour going east from the three prairie provinces to the head of the lakes?

Mr. GRAHAM: Yes.

Mr. MacLAREN: I wish to refer very briefly to one or two points, as I think they should be mentioned to the House. The Minister of Railways in introducing the bill stated that, with the exception of the special provision regarding wheat and flour, the railway commission would have a free hand in working out a system of rates, with a view to obtaining equalization throughout the country. I do not refer to what the Prime Minister has stated that they have issued instructions to the railway commission regarding both the Maritime provinces and British Columbia, because I think those two statements are somewhat contradictory; but I refer to the statement of the Minister of Railways who says that the railway commission have a free hand with that exception. I take exception to that statement, because I shall mention two further exceptions to it. First, I would draw the attention of hon. members to the Railway Act of 1903, section 42, the Railway Act of 1911, section 13, and the Railway Act of 1914, section 6, paragraph (a). All three contain these words:

The through rate on export traffic from the point of origin to the point of destination shall not be greater via Canadian ports than it would be via United States ports

Therefore, I take the ground that, as regards through rates to Canadian ports, there is a restriction on the railway commission, and they are not at liberty to put a higher rate on through export traffic than obtains at a similar time through United States ports. I submit with all due deference to the committee that that is a further limitation placed upon the railway commission in fixing rates. The second one is in reference to the Intercolonial railway. I think I am correct in stating that although the Intercolonial railway, so-called, is operated under the Canadian National railway system and under the same management, it is not, I maintain, a part of the Canadian National railway system. It was owned by the government. It is still owned by the government. It has never been transferred. Nothing less than an act of parliament will transfer the Intercolonial railway to the Canadian National railway system. That has not been done. What follows? While the railway commission may fix rates, they are all subject to protest, and, I believe, successful protest if necessary. I do not suggest for a moment that the Intercolonial railway cannot have full confidence in the railway commission, I am prepared to suggest that it can, but I wish at the same time to make what I may call my claim of right as regards these two points. I have brought this before the House and I bring it forward again in order to establish a position which, I think, is right.

I regret that I have not an opportunity of discussing the features of the bill itself. A great deal of time has been spent on it, and I will not encroach upon the time of the committee in this particular. I merely take this further opportunity of expressing my opposition to the bill. I do not think it is framed on principle. I do not think the procedure is logical. It fetters the hands of the railway commission. It will please no section of the country. I can come to only one conclusion, and that is that it has been framed on the ground of political expediency.

Mr. GRAHAM: I want to answer the charge of my hon. friend as to political expediency only by saying that he is altogether mistaken.

Mr. MacLAREN: Which point does the minister refer to? I made three or four.

Mr. GRAHAM: The last was not a point. I did not refer to it as a point. It was pointless.

Mr. MacLAREN: It was a demonstration.

Mr. GRAHAM: No, it was a filibuster for political purposes and not for freight rates. As a matter of fact, the Board of Railway Commissioners have given the same rates to St. John and Halifax as to Portland. That covers the first point. The second point is as to the rates on the Intercolonial not being subject to the Board of Railway Commissioners. Months ago an order in council was passed placing the Intercolonial railway under the control of the Board of Railway Commissioners.

Mr. MacLAREN: The minister has not met my points at all. I have been maintaining that the Intercolonial was not a part of the Canadian National. The minister agrees with me on that point.

Mr. GRAHAM: I did not say so. Let me make it clearer if I can. It is immaterial to him whether the Intercolonial belongs to the Canadian National or not, so long as they get the rates.

Mr. MacLAREN: It is quite an important point.

Mr. GRAHAM: It is not an important point as regards rates. Months ago the Intercolonial was placed by order in council under the Board of Railway Commissioners for the control of rates. That was never done before. It was held in the hon. gentleman's province, and rightly held, and in Nova Scotia also, that although the Intercolonial had submitted to control of rates by the Board of Railway Commissioners, no authority had ever been given before by order in council to bring that about. But since that time an order in council has been passed placing the Intercolonial specifically under the Board of Railway Commissioners for the control of rates.

Mr. MacLAREN: I understand; this really is a government by order in council.

Mr. GRAHAM: Not at all. My hon. friend seems to be objecting to the fact that the things he wants are being granted.

Mr. MacLAREN: I am sorry the minister is annoyed again.

Mr. GRAHAM: I am not annoyed at all.

Mr. MacLAREN: My point was that the Intercolonial was not an integral portion of the Canadian National.

Mr. GRAHAM: That does not make much difference.

Mr. KENNEDY (Edmonton): The various amendments that have been made to this bill since it was first introduced go to show that it is a rather regrettable fact that it was brought down so late in the session. Possibly the budget debate might have been cut in two if we had had this bill before the budget was introduced, or even if the bill had been introduced while the budget debate was in progress.

Mr. GRAHAM: The budget debate being down, you might cut this in two.

Mr. KENNEDY (Edmonton): I do not think, however, in view of the fact that the bill has been amended two or three times since it was introduced, it is giving members the fairest opportunity to deal with the matter and to understand it. It is a very intricate affair and, therefore, I must say again it is regrettable that it was not dealt with earlier in the session. I have had some considerable difficulty in reconciling the order in council with the bill. I suppose the central theme of the order in council is the question of equalization. "Equalization" and "discrimination" are two words that are used to a great extent in connection with railway rate questions. Whether rates were referred to in the Speech from the Throne or elsewhere, during the last few months you find this word "equalization" but in this order in council there is a very severe qualification to equalization. The order reads:

> To do away as far as possible with all unjust discriminations and undue preferences, and to secure a fair and reasonable rate structure, which, under substantially similar circumstances and conditions would be equal in its application to all persons and localities.

While the policy of the government may be equalization, with that qualification you can justify any kind of discrimination. The discrimination between east and west has been justified in days gone by through the use of the word "unjust"—there must be no "unjust" discrimination. I think it has been generally recognized that in the prairie provinces the cost of construction and operation has not been as high as in eastern Canada; and yet the water competition in the east has been a factor in preventing what we might call a general equalization of rates as between east and west. In British Columbia, again, we find a different situation. But though there has been a very severe discrimination there in some cases, if I understand the matter at all, it would be possible to continue this discrimination under the clause that refers to circumstances being substantially similar. The order in council, after reciting the judgment of the Supreme court, goes on to say that the application of the Crowsnest rates again would disrupt the rate structure.

It seems to me that a serious side of the question has not yet been touched upon. There is no doubt as to what the understanding of parliament was in regard to the application of the grain rates in 1922 and again in 1924 regarding the whole agreement. The opinion of parliament was not very well expressed in legislation, but surely the intention was that the rates should be applied generally. The years of practice of railway rate-making in western and eastern Canada ever since 1903 must show that this was the general opinion held by parliament and possibly by the railways themselves. In 1924 when the railways were asked by parliament to apply the Crowsnest rates again on other commodities, they established these discriminatory rates; and it appears to me that if they can do anything like that once without any question they can do it again. The purpose of the two railways in doing that was to create a difference between Calgary and Saskatoon, Brantford and Hamilton, Kitchener and some other point, and, to bring about the situation we have to-day; and I am afraid that the government is not very well advised in seeking to remedy the trouble in the way now proposed. There can be no question about the fact that the intention of parliament in days gone by was to apply the rates generally without discrimination, and if that was the intention of parliament we should not, because of the circumstances of the past few months and because the Supreme court has decided that the law on the matter is other than we thought it was, accept the new situation and change the legislation. We should not make such a change because of the discriminatory rates set up by the railways in the application of the agreement. I do not think that the Canadian National Railways have taken the step which is in the best interests of the system itself. One of the clauses in the order in council practically admits that the conditions which we have as a result of the application of the rates up to the present time cannot continue and that the Canadian National Railways would be compelled to make similar reductions at competitive points. That apparently indicates that even in the mind of the government the discrimination so far as the railways are concerned was only temporary; and in view of that fact it would seem that, even though no legislation were passed at all affecting westbound commodities or the grain rates either, this condition should not be allowed to continue.

In my judgment this legislation is in some respects a step backward. Notwithstanding the admitted discrimination between east and west in railway rates there has been a tendency over a period of years to bring them more closely together. In 1918 we had a fifteen per cent general increase in the month of March, and in August of that same year there was an increase of twenty-five per cent. That twenty-five per cent in eastern Canada was in addition to the fifteen per cent, while in western Canada the fifteen per cent was included in it. Apparently the board was anxious to put the eastern and western rates more on an equality. This does not mean, of course, that the rates are the same east and west; I am perfectly willing to admit that inasmuch as you have one sort of traffic in the west and another in the east the problem is rather difficult. Notwithstanding that fact, however, the railway commission by that decision did acknowledge that there was a discrimination and they tried to bring the two classes of rates nearer together. But in addition to that, in September, 1920, we had another decision of the railway commission. This is a very important decision on this question of discrimination as between east and west. The question is gone into at considerable length and we find the board declaring that, notwithstanding the difference in the application of the fifteen per cent and twenty-five per cent increases of 1918, there still is a considerable disparity between the rates in eastern and western Canada. They review the rates prevailing in the two territories on certain commodities mentioned, such as live stock, agricultural implements, lumber and so forth. I will not read the whole of it—any hon. member can see the judgment for himself—but I will quote from it briefly:

> Allowing for the undoubted fact that a very large proportion of the traffic both east and west is on the commodity basis, I am still forced to the conclusion that the rates in western Canada average considerably greater than those in the east, possibly around 15 or 18 per cent. In coming to this conclusion I am stating nothing new, as this fact has always been recognized, particularly by Sir Henry Drayton, the then chief commissioner, in the eastern rates case, so-called, in re Eastern Tolls, 22 Canadian Railway Cases, at page 41, where the following statement appears:
>
> "While as has been set out at greater length in the Western Rates Case, differences of conditions do exist between eastern and western Canada, and while western freight rates have already been materially reduced, the general schedule there obtaining is still higher, notwithstanding the fact that certain western rates that may be instanced are lower. There is no doubt but what the act requires, and the general public interest of the country as a whole demands, that, if practicable, eastern rates should be advanced so that the different schedules may more nearly approach a parity."
>
> This principle should be followed, giving weight to the conditions set out in re Western Tolls as affecting the regular level of tolls east and west of Fort William, and also bearing in mind changes in conditions which have taken place, I am of opinion that it is justifiable to allow a reasonably less percentage of increase on freight tolls west of Fort William than east thereof. Consequently, I have concluded that an increase in rates should be granted along the following lines, with the exception of the items hereinafter specially referred to. Until December 31, 1920, I would give a general increase of 40 per cent in eastern freight rates and 35 per cent in western freight rates, with 20 per cent both east and west in passenger fares.

There was an increase of 35 per cent in the west, and 40 per cent in the east, leaving still a difference, I suppose, after the application of these rates in September, 1920, of from ten to thirteen per cent. The Board of Railway Commissioners there approved the general principle that eastern and western rates should be equalized as nearly as possible. In 1921 the government of the day had something to say about it also. An appeal was taken to the Governor in Council shortly after the promulgation of general order 308 of this board, which I have just read. Various bodies, among them the government of Manitoba, appealed to the Privy Council, asking that the order be rescinded for various reasons set forth by the appellants. The matter was heard by the Privy Council, and on October 6, 1920, under order P.C. 2434, His Excellency in Council dismissed the appeal, and in doing so stated as follows:

> What constitutes a fair and reasonable rate should not be arrived at without reference to the requirements of the Canadian National system, and your committee recommends that the order in this case be referred back to the board to be corrected in its findings in such manner as to determine what are fair and reasonable rates without taking into account at all for the time the order shall be in effect the requirements of the Canadian National system.
>
> Very strong representations were made in the course of the argument to the effect that the order continued, and indeed intensified an unjust discrimination in rates, it being claimed that higher freight rates prevailed generally in western Canada, that is west of Fort William, than prevailed in eastern Canada, that is east of Fort William. It was strongly urged that the reasons whatever they may have been, for this differential no longer exist, and that as a matter of public policy the principle of equalization of rates east and west should now be recognized. On the other hand, it was urged that the competition arising out of lake and river transportation as well as out of lower competitive rates on eastern United States lines, compelled the somewhat lower scale in eastern Canada than in western Canada. Whether or not these reasons now obtain in any substantial degree is a question which requires minute and expert investigation such as can best be conducted by the railway commission itself and not by Your Excellency's advisers. But your committee is strongly impressed with the very great desirability of bringing

about with the least possible delay equalization of eastern and western rates.

So we have the Board of Railway Commissioners, the government of 1920, and now this government, all saying in effect that we should have equalization of freight rates all over the country. But I am afraid this bill does not bring us any nearer equalization of our rate structure. It is true that we are going to get equalization in grain rates in a specified territory—under section six, if I understand it aright, it will not be possible for the Canadian National Railways to charge higher rates than the Canadian Pacific on grain and flour moving eastward, and it will not be possible for the Canadian Pacific to charge higher rates to one portion of the territory and lower rates to another portion where the conditions are much the same. But what will it do with respect to the other commodities moving westward? Does it not mean that we will have the discrimination intensified there? Not between the different parts of the prairie provinces, but between the east and the west? The minute this bill is passed, if I understand the situation, the Crowsnest pass rates on the commodities enumerated in that agreement will go up to where the other rates are, so that in general the rates which the westerner will have to pay on manufactured products from the east will be higher than even the average of all the rates to-day.

Mr. GRAHAM: The bill gives the Board of Railway Commissioners full power to say what the rates shall be.

Mr. GARLAND (Bow River): But did not the minister intimate that increases would be necessary as a result of the condition of the railway companies?

Mr. GRAHAM: I do not think we ought to interfere.

Mr. KENNEDY (Edmonton): That may be all very well after the Board of Railway Commissioners have completed their investigation, but the imediate effect will be that the rates will go up to the level of the rates quoted by the minister the other day as between the Crowsnest pass agreement points and the other points in eastern and western Canada.

As to British Columbia, I understand the bill means this: while there can be no discrimination on their rates going eastward, they will have no right under this legislation to argue against discrimination that may exist on westbound shipments as opposed to eastbound. That is what I understand to be the meaning of section six. Possibly we shall hear more about it in detail when the Minister of Railways addresses the House again, and if I am wrong in my understanding I hope he will put me right.

Now, throughout this argument, and especially throughout the country during the last year or two, a very strong effort has been made to convince the people, both east and west, that under the Crowsnest pass rates some special favours are being handed to western Canada. The hon. member for North Waterloo (Mr. Euler) told us last night that he had a record of some rates that would show that the rates were higher in eastern Canada than they were in the west. But that is not generally the case. The Minister of Railways (Mr. Graham) filed a statement here showing the difference between the rates from Hamilton to Saskatoon, from Woodstock to Regina, and so on. But the minister did not file any comparison between the rates from eastern Canada to the west, as against, one point in Ontario to another point in the same province. He was asked by Mr. Hoey:

As a matter of fact, would not that mean increased freight rates for eastern Canada?

That was the general application of the Crowsnest pass rates. The minister replied:

It is not my intention to discuss freight rates; but I repeat, if the Crowsnest pass basis of rates is to be made a yardstick for freight rates in the Dominion, you may as well give away your national railways to-morrow—

What the minister filed was a statement dealing with the discriminations on the westbound shipments; but I think, that between eastern Canada and western Canada, as a matter of record, as a matter of understanding between the people of the east and west, we should learn whether or not in the case of these commodities—because we are dealing with specific commodities—the rates in the east are higher or lower. We should get the true comparison between the rates east and the rates west. I claim—and I want to take a little time to put some statements on Hansard—that the rates in the east generally are lower than the rates in the west. When you take into consideration the territory that is recognized as Crowsnest pass territory in the prairies, the rates are much higher in the west; and even as between the Crowsnest pass rates in the west the rates in general are higher in that part of Canada. I am not arguing in the meantime that is unjust, but I do say this: It is absolutely unfair to the west—yes and to the west of Canada—that such statements should go unchallenged, that there should be in any part of Canada a misunderstanding of the situation, and that the

people should not have a chance, at least, of getting in touch with the facts conveniently. I have here a comparative statement, dated June 7, 1924, of the present rates per hundred pounds, I may say I took this from an exhibit filed before the Privy Council:

Comparative statement of the PRESENT RATES in cents per 100 lbs. on various commodities, eastern and western Canada.

The stations and rates in eastern Canada are from the memorandum presented by the Canadian Pacific Railway and the Canadian National Railways to the Dominion Government requesting the suspension of the westbound commodity rates guaranteed under the Crowsnest agreement. The mileages are from the official distance tables of the companies.

The rates in western Canada are from Fort William to various stations in Manitoba, Saskatchewan and Alberta, Canadian Pacific Railway Tariff No. W4965, C. R. C. No. W2655. The distances are from the official distance table of the company.

Green and fresh fruits

Fort William to	Present western rates			St. Catharines to	Present	
	Miles	Rate	higher by		Miles	Rate
Oak Lake, Man	585	99	45%	Quebec	584	68
Virden, Man	600	102	57%	Sherbrooke	603	65

Coal oil

				Sarnia, Ont. to		
Percival, Sask	676	87	57%	Quebec	673	55
Tompkins	978	117	72	St. John, N.B.	980	68

Binder twine

Fort William to	Present western rates			—	Present	
	Miles	Rate	higher by		Miles	Rate
				Montreal to		
Bagot, Man	491	68	30%	St. John, N.B.	488	52½
Pilot Butte, Sask	767	98	53	Halifax	767	64

Agricultural implements

				Hamilton to		
Chater, Man	547	62	26%	Quebec	546	49
Mortlach, Sask	843	92	50%	St. John	858	61½
Tilley, Alta	1,129	117	85%	Halifax	1,129	63

Iron commodities

				Hamilton to		
Chater, Man	547	74	56%	Quebec	546	47½
Parkbeg, Sask	852	107	88	St. John	850	57

Wire

				Windsor to		
Portage la Prairie, Man	475	65	57%	Ottawa	479	41½
Brandon, Man	553	75	80	Montreal	555	41½
Sintaluta, Sask	723	93	72	Quebec	729	54
Wapella, Sask	655	87	66	Sherbrooke	658	52½
Wolseley, Sask	714	93	56	Megantic	727	59½

Building paper

Burnside, Man.	483	66	90%	Portneuf to Toronto.	482	35
Carberry, Man.	525	72	90	Hamilton.	522	38
Kirkella, Man.	623	83	110	St. John.	626	39½

Paints and Oils

Burnside, Man.	483	66	26%	Montreal to— St. John.	488	52½

Furniture

Kemnay, Man.	561	84	19%	Kitchener to— Quebec.	559	70½
Secretan, Man.	863	120	39	St. John.	863	86½
Brooks, Alta.	1,142	149	60	Halifax.	1,142	88

Note the heavy percentages on the long hauls. The prairie provinces are a long haul country.

SUPPLEMENT

SUPPLEMENT to the statement dated June 12th, 1924, compiled from the memorandum of the railways with the rates from Fort William to stations in Saskatchewan for similar distances. *Present rates* in cents per 100 lbs. Eastern and western Canada.

Agricultural Implements

—	Western present rates			—	Present	
	Miles	Rates	higher by		Miles	Rate
Fort William to—				Hamilton to—		
Pilot Butte, Sask.	768	84	36%	McAdam, N.B.	766	61½
Chaplin, Sask.	872	93	51	Spruce Lake,		
Swift Current, Sask.	929	98	60	N.B.	874	61½
				Edmundston, N.B.	929	61½

C.P.R. No. E2880, C.R.C. No. E3221

Binder twine

Ernfold, Sask.	885	111	67%	Welland to— St. John, N.B.	888	66½
Seward, Sask.	943	116	74	St. Leonard		
Gull Lake, Sask.	964	117	75	Junction, N.B.	941	66½
				Edmundston, N.B.	967	66½

C.P.R. No. E2880, C.R.C. No. E3221

Wire, iron, nails, etc.

Pilot Butte, Sask.	768	98	72%	McAdam, N.B.	766	57
Ernfold, Sask.	885	111	93	South Devon,		
Swift Current, Sask.	929	114	100	N.B.	885	57
				Edmundston, N.B.	929	57

Summary of statement compiled from memorandum of the railways, carload rates, eastern and western Canada.

Eastern Canada		Western Canada	
Miles	Rate	Miles	Rate
Green and fresh fruits			
584	68	585	66
603	65	600	68
Coal oil			
673	55½	676	65
980	68	978	85
Binder twine			
488	52½	491	56
767	64	767	80
Agricultural implements			
546	49	547	52
850	61½	843	73½
1,129	63	1,129	90½
Iron commodities			
546	47½	547	59½
850	57	852	84½
Wire			
479	41½	475	53
555	41½	553	59½
729	54	723	76½
658	52½	655	68½
727	59½	714	75½
Paper, building and roofing, also roofing felt			
482	35	483	54
522	38	525	56½
626	39½	623	65
Window glass			
365	45½	366	40½
Furniture			
559	70½	561	69½
863	86½	863	93½
1,142	88	1,142	149
Paints and oils			
488	52½	483	48
Woodenware			
113	37½	111	40½
121	29	130	40½
173	40	176	40½
215	37½	211	40½
488	55½	475	53

In only five cases are the rates lower in western Canada than in eastern Canada. In all the other cases *(24)* the rates in eastern Canada will be lower than the rates in western Canada when the *Crowsnest rates come into effect.*

I have another statement here dealing with carload rates. I am going to ask the privilege of putting this statement on Hansard also but I think it ought to appear beside the statement of the Minister of Railways or very near it. This is exhibit 59, a comparison of the Crowsnest pass rates from Fort William with the rates for similar distances from various points in eastern Canada:

Comparisons of the *Crowsnest* rates from Fort William with the rates for similar distances from various stations in eastern Canada, Schedules A to M, carload rates in cents per 100 lbs.

Schedule A. Green and fresh fruits

East				West		
Miles	From	To	Rate	Miles	Fort William to	Rate
584	St. Catharines	Quebec	63	565	Oak Lake, Man.	66
603	"	Sherbrooke	65	600	Virden, Man.	68

Schedule B. Green Apples

The rates to points in eastern Canada are for distances 116 to 406 miles. The only comparisons obtainable are those from Fort William to stations east of Winnipeg and the rates are the same as to Winnipeg under the Crowsnest tariff.

Schedule C. Coal oil

	Miles	Rate		Miles	Rate
Sarnia to Quebec	673	55½	Fort William to Percival, Sask.	676	65
Sarnia to St. John	980	68	Fort William to Tompkins	978	85

Schedule D. Binder twine

The rates from Welland to various stations, short hauls, are lower than from Fort William for similar distances; Welland to Windsor 212 miles, 34½ cents; Fort William to Dryden 211 miles, 40½ cents; Ontario Government experimental farm at Dryden.

Schedule E. Agricultural implements

The rates from Hamilton to eastern points are all lower than from Fort William for similar distances Hamilton to Halifax 1,129 miles, rate 63. Fort William to Tilley, Alta., same distance, rate 90½ cents, 44 per cent higher.

Schedule F. Iron commodities

The rates from Hamilton to eastern points are all lower than from Fort William for similar distances:

	Miles	Cents	
Hamilton to Quebec	546	47½	
Fort William to Chater	547	59½	
Hamilton to St. John	850	57	
Fort William to Parkbeg	852	84½	(nearly 50% higher)

Schedule G. Wire

The rates from Windsor, Ontario to Eastern points are all lower than from Fort William for similar distances. The longest distances are:—

	Miles	Cents	
Windsor to Megantic	727	59½	
Fort William to Wolseley	714	75½	(about 25% higher)

Schedule H. Paper, Building and Roofing, also Roofing Felt

The rates from Portneuf to Eastern points are all lower than from Fort William for similar distances. The longest distances are:—

	Miles	Cents	
Portneuf, Que. to Hamilton	522	38	
Fort William to Carberry	525	56½	(nearly 50% higher)
Portneuf, Que. to St. John, N.B	626	39½	
Fort William to Kirkella	623	65	(62% higher)

Schedule J. Window Glass

With the exception of the rate for 365 miles, which is 5 cents per 100 lbs. lower, the rates from Montreal are lower.

Schedule K. Paints and Oils

Montreal to St. John	488	52½	
Fort William to Burnside	483	48	

This is one of the very few cases where the Eastern rate is higher.

Schedule L. Woodenware

The short haul rates are lower in the East.

	Miles	Cents
From Ottawa to St. John	488	55½
From Fort William to Portage La Prairie	475	53

This is another of the very few cases where the Eastern rate is higher.

Schedule M. Furniture

With one exception, a difference of one cent per 100 lbs. all the Eastern rates are lower.

	Miles	Cents	
Kitchener to Halifax	1,142	88	
Fort William to Brooks, Alta	1,142	149	(70% higher)

The application of the remainder of the Crowsnest rates will remove some of the disparity which at present exists in the rates which the Prairie Provinces have to pay.

I said a little while ago, Mr. Chairman, that there might be considerable difficulty in estimating whether or not the rates between the east and the west were on a parity, but I have read some of the judgments of the Board of Railway Commissioners on that question, and I think they are fairly clear. It would be unfair, I suppose, to base an opinion with regard to the general freight rate structure on a few individual rates such as I have quoted, but when in conjunction with those you take the judgments of the Board of Railway Commissioners, I think I am not far out when I say that we have still higher rates, in the west, and we will have a still more intense discrimination between the east and the west, even with the discrimination between grain and flour removed, if the Crowsnest pass agreement is suspended in respect of the other commodities that are covered by that agreement.

It would seem to me, however, that if eastern and western Canada can pay the operating charges on the railways, situated in eastern and western territory, and take care of their own fixed charges over and above that, they are doing fairly well. The hon. member for West York (Sir Henry Drayton)

gave us some figures yesterday to show that they are not doing that. I have looked over his statement, and for the life of me I cannot see how he can justify that statement with the figures he submitted to the House. It would seem to me that if we take the gross earnings, and subtract the operating costs and the fixed charges, and if we have any idea at all about the investment in the east and in the west, then we ought to know whether or not the east and the west are paying their share of operating costs and fixed charges for the service they are getting. I want to qualify that statement, however, with this further statement: I do not believe it is the duty of the people who are producing revenue tonnage in Canada to pay rates that will pay for all the railways in Canada, regardless of the wisdom of their location and regardless of the lack of economy with which they have been constructed. The Canadian Pacific has been taken as the index railway for setting rates east and west. I maintain that that is not a fair basis, and I will tell the House why. We have three main lines of railway, running from Winnipeg right through to Edmonton, and I think one main line of railway would handle all that business. Certain portions of the Canadian Pacific railway between Winnipeg and Edmonton can hardly be considered worth one hundred cents on the dollar, if the Grand Trunk Pacific and the Canadian Northern alongside cannot be considered worth one hundred cents on the dollar. And we cannot under present conditions produce the traffic to make all three roads pay because of their location and because of the money that has gone into them. If we had spread over that territory one expensive main line and a lot of cheaper branch lines, we would then have a system on which the producers of revenue tonnage might be expected to pay rates that would take care of operating expenses and fixed charges, but because the Canadian Pacific has mileage extending over hundreds of miles that runs alongside and twists around the Grand Trunk Pacific almost like the strands of a rope—and at other places the two railways look like one line with a double track—I maintain that under these conditions the present valuation of the Canadian Pacific railway must be revised to some extent in connection with the consideration of this matter. That seems to be a fair deduction.

4 p.m.

The hon. member for West York gave us figures yesterday showing the difference between the east and the west per ton mile gross earnings—in 1918, 79 on the eastern lines and 90½ on the western lines and so on. Now for the life of me I cannot see the significance of the per ton per mile figure. I can see where it would have a bearing if you take it in conjunction with a lot of other factors, the gross earnings per mile, the operating ratio, the gross and net return, and so forth, but when these factors are all ruled out, as has apparently been done in this case, I cannot see how the per ton per mile figure alone can be taken as a basis for comparison at all. We have two new railways in the west that are not fully established yet, the Pacific and Great Eastern in British Columbia, and the Edmonton, Dunvegan and British Columbia. At present the rates there are higher than on the other lines. Would that not mean that the ton mile rate on all traffic moving over those lines would be higher than the ton mile on traffic moving over the line where there is a lower rate? But that figure alone pays no attention at all to the volume of traffic, and the volume of traffic has a tremendous deal to do with the question whether the railway is going to pay or whether the rate is just or not. I believe that the figures of the ex-Minister of Finance, the ex-Chairman of the Board of Railway Commissioners, will have to be ruled out so far as I am concerned, until I get some further information. After giving those figures the hon. member went on to refer to the grain rates in the olden days, and told us how profitable the business was, but in order to do that he referred back to the very favourable operating ratio. For the life of me I cannot see why this should be used in the one case and ruled out in the other. In exhibit 60 before the Privy Council of June 7th, 1924, the operating ratio of the Canadian Pacific Railway, for five year periods; line east; lines west except British Columbia; all western lines; and, all lines; the figures are given as follows:

	Lines East per cent	Western lines except B.C. per cent	All western lines per cent	All lines per cent
1907-1911..	72	56	60	65
1912-1916..	73.3	54.5	57	63.3
1916-1920..	80.95	....	67.30	73.52

The operating ratio in eastern Canada is a good deal higher than the all line ratio. It is still higher than the British Columbia and prairie ratio and it is nearly fifty per cent higher in some instances than the ratio on the prairie provinces. In exhibit 60 I

find, operating revenue, operating expenses, net earnings, with percentages, Canadian Pacific Railway, for five year periods to December 31, 1920, as follows:

	Operating revenue		Operating Expenses		Net earnings	
	1907-1911					
	Millions	Per cent	Millions	Per cent	Millions	Per cent
East..	$160	40.92	$116	45.49	$43½	32.30
West..	231	59.08	139	54.51	91½	67.70

I am not going into the figures any further, because I wish to get through; but if we take the earnings in the east and west over these periods and up to 1922 you will find those figures will be borne out pretty well. We will find that the net earnings in the west run nearly 100 per cent higher than the other. I think Mr. Lanigan before the committee on Railway Transportation Costs said the reason for that was that we had 62 per cent more mileage in the west than in the east, but I do not think that tells the whole story or anything like it. We know that the cost of railway construction in the east is just about twice what it is in the prairie provinces, and as high as it is generally in British Columbia. In the eastern rates case the Board of Railway Commissioners tell us what the cost of various railways in the east was.

The Glentay-Agincourt branch of the Canadian Pacific Railway cost around $70,000 per mile; the Grand Trunk line cost $130,000 per mile, but in the east we know that the prairie lines have been built for $13,000, $20,000, and possibly up to $30,000 or $35,000 a mile. Last year Alberta built two stretches of thirteen miles in the Peace river country for about $22,000 per mile. So that even if we have sixty per cent more mileage in the west, the actual investment in the east will be just about equal, on a rough calculation, to the investment in the west. In view of that fact, where our net earnings in the west have been for years almost twice the net earnings in the east on the Canadian Pacific Railway, it is a fair conclusion that we have been in general paying more than our expenses and our share of interest charges. Therefore I feel that I have not any right, as a representative of the prairie provinces, to admit that the principle of this bill is sound when it takes away from us a maximum that does not now fix rates lower in western Canada than in eastern Canada. When I know that the opinion of parliament has been in the past that the rates should apply generally, and I think that should be followed in the rates at the present time. So far as the province of British Columbia is concerned, I stand where I stood some months ago on this question, when I spoke from my place in this chamber. I believe we ought to have these rates west, and because of that I believe we have another complaint that this bill is not satisfactory in its present terms. The Prime Minister this afternoon took the position that has been taken so often in this chamber by members on the government side of the House. The government stands between the two extremes of the House—the Conservatives who want one thing and the Progressives who want another. I do not think that is a very strong position after all.

Mr. McMASTER: The golden mean.

Mr. KENNEDY (Edmonton): The question is what is right, and not whether you are in the centre or in the radical group, or Conservative group. The position has been taken with regard to the tariff, and it has been taken this afternoon with regard to rates, if it can be shown that the rates in eastern Canada should go up beyond the rates set in the Crowsnest pass agreement, that under those conditions we were not paying our share of fixed charges in addition to the operating costs on lines properly built and laid out in the west—

Mr. McMASTER: And properly managed.

Mr. KENNEDY (Edmonton): And properly managed. If that can be shown, then I say there would be some justice in the legislation. But there has been no attempt to justify it. We had the statement from the leader of the opposition that the railways dropped something like $40,000,000 in the revenue last year, but that was not the net loss, as compared with 1923. The net loss was about $3,000,000.

An hon. MEMBER: A small western crop.

Mr. KENNEDY (Edmonton): One reason given is the small crop in western Canada. There are certain people who would like to get a share of this $2 wheat. I would not object to that, if, when wheat happens to come down to $1, the rates would follow, but they have not been doing that very generally. I am glad that the rates are fixed on wheat and flour to the extent they are, but I would like to see the rates fixed going westward to the Pacific, as well as going eastward.

Mr. CHURCH: The question at present before the committee is the most intricate one that parliament has had to deal with. I sympathize with the Minister of Railways and Canals (Mr. Graham) in his task because, after three days debate we have had nothing but sectional appeals from British Columbia, the three prairie provinces and the Maritime provinces. We would have a nice rate structure in Canada if all those class, sectional and provincial appeals were to be listened to by the minister. We would have a rate structure the like of which has never been seen before. It would resemble the tower of Babel. I am not going to make any sectional appeal for Ontario because although central Canada, as was pointed out by the hon. member for Sherbrooke (Mr. McCrea) the other night, is paying not only about 80 per cent of the taxes of the country, but in the same proportion to build railways out to the coast and for capital and maintenance charges, we are not complaining in Ontario. We admit that the west has grievances. We admit that British Columbia has grievances and we admit that the Maritime provinces have grievances, but Ontario says nothing and has more at stake than any other port of the country. All Ontario wants is a fair show and equality of treatment. While the Maritime provinces, incited by the example of British Columbia and the prairie provinces, are making sectional appeals, an examination of freight schedules shows that their rates to northwest points are substantially lower than those for equivalent distances from points in Ontario and Quebec, while their freight tolls to eastern destinations are the same as Ontario and Quebec pay for similar service. Last session political pressure was brought to bear for the construction of additional railway mileage in the shape of branch lines, in spite of the fact that Canada's railway problem is the result of over-construction. I do not intend to make any appeal for the province of Ontario along those lines, because the main question before the committee is how to secure equality of treatment and to eliminate the evils of duplication in roads and unjust and undue discrimination.

The railways have a commodity to sell, namely, transportation. Instead of being able to sell it like any other commodity in accordance with the law of supply and demand, this transportation is hemmed in with all kinds of laws, human and divine regulations and legislative restrictions, sectional interests and protective measures for various sections of the country. Transportation is not a free commodity. There is discrimination in the sale of it, and both sectional and provincial interests are concerned. According to speeches that have been delivered, political considerations seem to prevail instead of economic considerations in settling the question of rates. Freight rates from the standpoint of the railways and their bondholders should serve four purposes, namely, to provide:

1. Operating expenses.
2. Money for sinking fund and fixed charges.
3. A reasonable dividend on the investment.
4. If possible, some money for betterments and extensions.

We have never had a proper economic rate structure in Canada. We have always had a political rate structure. A proper rate structure is based, not on sectional considerations, not on giving certain districts certain rates on basic products to the discrimination of the rest of Canada, which discrimination the rest of the country must make up for in the deficits, but is based on some economic law and principle, on the principle of equal rights to all sections of the country and special privileges to none. Otherwise, there is no way of preventing unjust, undue and unfair discrimination. This debate in my opinion, illustrates the weakness of the group system of government which seeks selfish things for its class. This is one of the most important features of the group system of government. This weakness has been illustrated by the sectional appeals which have been made by hon. gentlemen to my left at the expense of the rest of Canada. They do not care who make up the deficit. They believe out west in free trade, yet to-day in their railway rates, they have the most acute form of protection there is in the world. Further, if branch lines were built according to the law of supply and demand, many branch lines would be eliminated. You could not find a private corporation that would build them. Each group or section wants to get what it can for its district irrespective of the general interest of the rest of the country, and the undue and unjust discrimination that must result therefrom. In the present legislation, while I sympathize with the task the government have, yet I do not admire the way they are carrying it out. I think, on the whole, they are doing exactly what the railways want. First, they have repealed the Crowsnest pass agreement which is the basis of the whole rate structure of this country, except as to grain and flour. They do not care where

the grain and flour goes. It goes by rail to the head of the lakes. A lot of it goes by Buffalo where there have been erected twenty-eight elevators, getting Canadian grain from Canada. Buffalo will benefit thus at the expense of Vancouver. With the exception of grain and flour under the Crowsnest agreement, the whole question of the adjustment of railway rates is left to the railway commission, and they are amending the Railway Act to bring this about. This is treating two certain agreements like scraps of paper, first the Crowsnest pass agreement and then the Manitoba Rate Act. The government are fixing rates by legislation on certain products, grain and flour eastbound, favouring certain products in certain localities at the expense of others. They are favouring eastbound traffic at the expense of north and westbound traffic. This is a mistake. Freight rates for the city and town man in Canada are high enough, dear knows, and yet the farmers enjoy fairly low charges on their products as compared with those on other commodities. The grain growers of the west have favourable and preferential rates, and as a result all other classes pay much higher rates in order to make low rates to the western farmers possible. Why this unjust and unfair discrimination against central Canada? The Drayton-Acworth report states:

> Railway policy is a sealed book to the ordinary citizen. Why tariffs should be fixed as they are, why the train service should not be arranged so as better to suit his individual requirements, why cars cannot always be available for everybody everywhere, he cannot understand. The normal attitude of the public towards the railway management whether in the hands of a company or a government, is one of mistrust, if not of active hostility. It is a good thing both for the railway itself and for its patrons to bring the management out into the open; to have the reasons why such and such conditions exist, why certain concessions demanded cannot reasonably be granted, frankly explained in public.

The public have just cause for such a belief, the way parliament has fixed rates by legislation. The abrogation of the Crowsnest pass agreement except as to grain and flour eastbound is in the nature of a subsidy to the three prairie provinces at the expense of the other provinces. What east or north or south or west has to do with economic rate regulation, I cannot understand. You have to see the ancestry of this bill in order to understand the rate structure this country has had from time immemorial. The basis of the whole rate structure is the Crowsnest pass agreement. I wish to see the west get everything it can out of the Crowsnest pass agreement, because if it is to be made a scrap of paper, those who will benefit by that will be the Canadian Pacific. They should be taken into the Exchequer court and an accounting made, and they should give back to the people with interest the $3,500,000 they got by way of a subsidy. British Columbia gave them 3,500,000 acres of the richest mining lands in the west and they made a fortune out of it. Yet the railway commission has scrapped this Crowsnest pass agreement. There is no country in the world except Russia that has been scrapping agreements and signed contracts in the way the railway commission has been doing in Canada. First, the railway commission has treated the Crowsnest pass agreement as a scrap of paper. The Canadian Pacific Railway wants to repudiate its agreement, and it is upheld by the railway commission.

Now, let us consider some of the privileges which have accrued to this railway system from the Crowsnest pass agreement. By order in council passed at the time the Crowsnest agreement was entered into the Canadian Pacific Railway received the following privileges. They were granted $11,000 per mile for 330 miles of the Crowsnest pass section of the Canadian Pacific Railway, or a total subsidy of $3,630,000. They were also given a British Columbia subsidy, including 3,500,000 acres of land, and the land grants included the whole area of the Crowsnest pass coal sections. The Canadian Pacific had to hand a portion of these coal lands over to a syndicate of eminent Toronto Liberals who capitalized their rake-off in coal lands at $10,000,000. Of that $10,000,000, $6,000,000 was issued and largely sold. And the obligations of the Crowsnest pass agreement were undertaken by the Canadian Pacific Railway as a sacred contract, to which the railway put its hand and seal. The Canadian Pacific Railway, it must be observed, guaranteed that freight rates on certain specified commodities shipped over its line should never exceed a fixed minimum stated in the contract. Canada's railway commissioners, Messrs. Oliver and McLean dissenting, last fall crowned the Canadian Pacific Railway campaign of repudiation with the laurels of legal victory. The weapon of the Canadian Pacific Railway's warfare for the repudiation of the Crowsnest pass agreement was the one word "discrimination." But Canadian Liberalism was not entirely for the Canadian Pacific Railway in 1897. Sir William Mulock at that time fought the Crowsnest pass deal almost to the point of resignation; and Mr. J. F. Lister, then member of parliament for West Lambton, attacked the Laurier-Sifton proposals for the construction of the Crowsnest pass railway. They opposed it in the

Liberal caucus at Ottawa, and Mr. Lister actually carried the Liberal caucus against Sir Wilfrid Laurier, who then exercised his authority as Prime Minister and informed the caucus that the Crowsnest pass deal would have to go through or the government would go out. The Toronto Globe spelt the doom of honest Liberal resistance to the Crowsnest pass folly. Sir John Willison, for weeks and months, carried the slogan across the page of that newspaper, "Concessions for Concessions," representing the maximum rates proposed in the Crowsnest pass contract as then, in 1897, and forever applicable to shipments from every point on the Canadian Pacific system in Canada. Ontario and British Columbia Liberalism, however, generally resisted the corporationizing of their party. Sir William Mulock and Mr. J. F. Lister would have beaten the Crowsnest pass proposals to death if parliament had ever understood that the Canadian Pacific Railway had the right to apply Crowsnest rates to shipments from certain points while refusing those rates to shipments from other points.

Now, what is the use of the Supreme Court of Canada and the Board of Railway Commissioners writing into the contract something that was never in the minds of the parties to that contract, something that was altogether foreign to the original intention? I have here extracts from speeches delivered in parliament in 1897, and while I will not weary the committee by reading them, I may mention for the information of hon. members the pages of Hansard of that year at which the views of these several gentlemen may be found. For example, at page 5347 of Hansard of 1897 the Minister of Railways and Canals of that day, the late Mr. Blair, expresses himself in strong terms in relation to the agreement. At page 4581 of Hansard of the same year Mr. McInnes said in regard to the concessions:

> But even if they were of enormous nominal value, you will admit that they are, so far, mere paper concessions and that the real value of them will depend on their administration.

But although he qualified himself to that extent he did not think that the deal was at all advisable. He was opposed to it. At page 5182 Mr. Wallace declared that in his opinion that part of the bargain providing that the Crowsnest pass railway should come under the General Railway Act was not worth five cents to the country; nor, in his opinion, were the concessions given by the Canadian Pacific Railway. Again, at page 5344 of Hansard of the same year, we have the views of Mr. Lister on the subject. Time will not permit me to quote the opinions of these gentlemen, but hon. members will find them interesting reading. Now, if the Mulock Liberals and the Lister Liberals had defeated the Crowsnest pass deal they would have saved this country, it is estimated, some $400,000,000. The surrender to the Canadian Pacific Railway in the Crowsnest pass fight was the beginning of this country's railway misfortunes. These mistakes and follies were the source of all Canada's railway troubles, and the cash cost of these troubles now totals nearly $500,000,000. The $55,000,000 deficit on the year's operations of the Canadian National Railways had its origin in the Crowsnest pass iniquity and is a yearly burden which we can attribute primarily to that source. The directorate of the Canadian Pacific Railway have conceived and disseminated this propaganda of "the iniquity of discrimination" as a means of empowering that company to repudiate the Crowsnest pass contract. In my opinion Canada's railway commission should have abolished this discrimination by deciding that the Crowsnest rates should stand; they could have abolished the discrimination by the simple expedient of maintaining the Crowsnest pass contract. But Canada's railway commission chose to bring about this end by the appalling decision that authorized the friends of the Canadian Pacific Railway, as the Soviet government does in similar circumstances, to repudiate its contracts. Why should the Canadian Pacific Railway be permitted to keep the Crowsnest pass cash and coal land subsidies as well as other valuable considerations which they received, while they are allowed to disregard entirely the agreement by means of which they secured these considerations? A Crowsnest pass contract that is no longer a contract but merely a scrap of paper, as regards reduced freight rates which the Canadian Pacific covenanted to give, should certainly not be considered a contract in regard to the enormous subsidy which this country not only undertook to deliver but actually did deliver to that company. I would make the Canadian Pacific Railway carry out its contract. I believe if part of the Crowsnest pass contract is scrapped as now in this act, the whole of it should be scrapped, and the Canadian Pacific Railway should be taken into the Exchequer court and forced to give back all the subsidies and other valuable considerations and privileges which it received under the contract from the government of Canada and the government of Manitoba.

With all respect to the railway commission, I regret to say, Mr. Chairman, that it has no

longer the confidence of the people of Canada. The municipalities of Ontario in the past few years have had about a dozen cases before the board regarding telephone, express, freight and passenger rates, and in every case the board accepted the figures submitted by the public service corporations and granted their applications for increased rates. In fact, the railway commission is really a political commission, for its orders are subject to appeal to and revision by the Governor in Council, and in that way its activities are not removed from the realm of politics. On the contrary, the Interstate Commerce Commission in the United States is absolutely free from political interference and its decisions are based on economic principles and are just and equitable. According to the Railway Act the Board of Railway Commissioners are supposed to deal with rates of their own volition on the principle of equality of treatment for the whole Dominion, but the board has never been known of its own volition and for the protection of the public to go out and fight and check up freight, telephone, express and passenger rates from coast to coast. In my opinion the railway commission should be reconstituted, reorganized and placed then in a position to deal with the adjustment of rates absolutely without any right of appeal from its decisions to the Privy Council of Canada. Then it would be able to determine these matters, not on sectional but on national lines, basing every decision on the principle of equality of treatment. If we had had chief commissioners like the late Mr. Justice Mabee and the ablest chairman the board ever had, the hon. member for West York (Sir Henry Drayton), we would not have these troubles to-day. They never fixed rates that were not just and equitable to everybody concerned and they had public confidence. In 1909 the Bell Telephone Company were charging $80 to $100 per telephone per annum in the Deer Park district, while just across the road where their regular tolls were in effect the rate was $32. We took the case to the railway commission, and Mr. Justice Mabee wielded the big stick on the telephone company. He said that it did not cost a consumer any more for his electric light, his water, or his gas because he was further away from the source of supply than some of his neighbours, and the same principle should be applied with respect to the telephone. So he brought to time that company which had been paying eight per cent for thirty-two years and ordained a flat rate for the whole city of $32. If we had more men of the type of the late Mr. Justice Mabee and his successor the hon. member for West York, the municipalities would have more confidence in the commission. They never fixed rates on any sectional principle, but always on the principle of equality and justice and fair dealing, and therefore their decisions were always just and equitable.

It is all very well for the government to give eastbound grain and flour the benefit of the Crowsnest pass agreement, but what about other sections of the country and their products? The people in eastern and central Canada will have to pay for the piece-meal abrogation of the Crowsnest pass agreement. All along the railway commission has failed to protect central Canada. The east paid the biggest part of the cost of constructing western lines, and it should not be discriminated against by such class legislation as this. The railway commission should do its part or be removed; it should see that any order it issues does not rob Peter to pay Paul, as has been the practice in the past. It is unfortunate that while we are united in many ways, owing to our rate structure being built largely on sectional and political lines, on transportation matters we are rent asunder instead of working together for the good of the Dominion. I sympathize with British Columbia, with the prairie provinces and with the Maritime provinces, but while they are contemplating their various ills, I would ask them not to forget old central Canada which has borne the heaviest burden of the national debt, which is paying the largest proportion of the taxes and does not object to continue doing so, but simply asks for just treatment—fair rates based on economic and not sectional principles and, in short, a square deal all round—equal rights to all, special privileges to none.

Mr. SUTHERLAND: Mr. Chairman, at this late stage of the debate one can hardly hope to exercise much influence on the government or the House, for presumably the government at last has made up its mind in regard to this question. Our railway problem is to my mind the greatest that we have to face in Canada to-day. So much depends upon transportation that anything that can be done to free the people from inequality of freight rates should merit the careful consideration and approval of the government. I believe that our burdens of taxation and railway costs of transportation are crushing industry to the ground, and are responsible for many of our natural resources remaining dormant and undeveloped. The mad, drunken spree of railway construction extravagance that this country indulged in a few decades ago appeared to be a nightmare to many of

us for a long time, but we are beginning to realize that it is a very uncomfortable reality, and we are now paying the price. The consequences of that folly cannot be evaded. The railway problem must be faced by the people as a national unit, rather than in a selfish sectional spirit, one section endeavouring to obtain an advantage regardless of its effect on the other parts of the Dominion. From the expressions of opinion which we have had on this bill, it is absolutely hopeless to expect freight rates to be satisfactorily adjusted by parliament. I believe that the Board of Railway Commissioners is the proper tribunal to deal with this matter. If that board is not properly constituted to deal with the problem then men with a thorough training and experience along these lines should be appointed to that body. I am not criticizing the present board, but I do contend that the railway commission is the proper body to adjust railway rates. There is such a great need for expert knowledge in connection with this question that it is absolutely hopeless for a member of this House, with his other duties, to become seized of the facts and arrive at a proper decision as to what the scale of rates should be. I am at a loss to understand, in view of the old Crowsnest pass agreement which has been a disturbing factor in this country for many years, why the government do not give the railway commission absolute power to deal with this question. Why have they obtruded this phase of the matter in such a way as to tie the hands of the commission, and prevent an adjustment of rates that would result in an equality in all parts of the Dominion? Hon. gentlemen to my left are apparently very suspicious that western Canada would suffer as a result. Well, if that is the opinion of people in some provinces what is the use of having a railway commission at all? What is the use of such a board if we are not going to place confidence in it, if we are not going to give it full power to deal with this matter? Everyone admits that it is impossible for us to handle the situation as it should be handled in parliament. Apparently the government have no views on the question themselves. In the session of 1922, on May 4, they appointed a select committee to deal with the question of the Crowsnest pass rates and to report to parliament. We also had last night the views of an ex-minister of the present government (Mr. McMurray), a gentleman who resigned from the cabinet a few weeks ago, and he informed the House that it was always the intention of the government to have the Crowsnest pass rates go into effect again. I have heard no satisfactory explanation—in fact I have heard no explanation at all—as to why the government are going to introduce this fragment of the Crowsnest pass agreement into the railway rates structure. The Prime Minister waxed eloquent shortly before the House rose at one o'clock as to the government's desire to have equality of rates in Canada, and yet we have the most positive evidence in this legislation that the government do not propose or intend to allow anything of the kind. On the contrary the bill we are now considering will render it impossible for the railway commission to do its duty as it was supposed to be anxious to do.

The conditions in Canada to-day are not the same as they were when this agreement went into effect; they are entirely different from the conditions which prevailed at that time. The Crowsnest pass agreement is something that the people of this country knew little or nothing about until the last few years. It was one of the first acts of a new government in 1897. They tried their prentice hands on railway legislation and the Crowsnest pass agreement was the product of their efforts. It remained in abeyance for a long time. In 1903 legislation was passed creating the Board of Railway Commissioners, and they have been administering the railway rates, and questions arising in connection therewith ever since. But during the war time there was another condition which has apparently been overlooked, but which was referred to by the chairman of the railway commission in 1921 when the board made a thorough inspection of railway conditions in western Canada. I should like to direct the attention of hon. gentlemen to some of the remarks made by the chairman of that body at that time. They will be found in the Canadian Annual Review for 1921. I quote from that publication as follows:

> The railway board visited the western centres in the spring of 1921, and heard various appeals and statements as to freight rates; outside of the commission sittings, Mr. Carvell continued his outspoken utterances. Speaking to the Canadian Club at Brandon on April 22, he described the railway problem as more important than the tariff or any other question before the people.

I quite agree with him. I believe that railway transportation is the most important question in this country at the present time. He went on to say:

> It cost $40,000,000 more to run the Canadian National railways last year than was brought in and that is no reflection on the people at the head of the railways or on the government.

I quote a little further on from this publication as follows:

At Victoria (April 11) he told the Canadian Club that freight rates on Canadian railways were too high; that in many cases they were having an adverse effect upon business; that under existing circumstances and the McAdoo and Chicago wage awards this could not be helped; that to force the railways to meet increased costs of operation without the privilege of raising rates or power of lowering wages would be to force the roads against the wall; that the financial stability of the Canadian Pacific Railway was as important to the country as good government. He declared that the root of the trouble was in payrolls forced upon this country by political agitation and labour efforts in the United States; that "the action of American labour men in putting a pistol to the head of the Canadian railway companies and demanding that the new American wage scale, fixed under the Chicago award, be made effective in Canada, placed the railway companies in a most humiliating position".

As to the future: "no matter what happens, railway labour must be re-born and an honest day's labour for an honest day's pay must be the first principle observed. Canadian labour is not responsible for the McAdoo award, but it is responsible if it is not prepared to give honest service."

Let me quote further:

His view of the labour situation was important because it could not but affect the policy and decisions of the board: "there are engineers and conductors today who are making $4,000, $5,000, and even $6,000 a year as the result of the McAdoo award; I am beginning to be sceptical of the advisability of having Canadian unions controlled in the United States.

Dealing with this question in the Canadian House of Commons in the session of 1920 the Minister of Railways of that time referred to the affect of the McAdoo and Chicago awards which had been forced upon the government, and pointed out:

The wage bill for the year exceeded seventy-three millions, having, owing largely to the McAdoo series of advances, jumped from fifty-four millions in 1918. In other words, out of every one dollar of revenue you earn, seventy-eight cents passed directly, by way of wages, to the employees.

Now, these are conditions that did not exist when the Crowsnest pass agreement went into effect and we might as well realize that now as any other time, and why the government want to interject part of the old Crowsnest pass agreement into this legislation under present conditions is beyond my understanding. The rates in the bill in question are the rates on grain and flour, not rates on the by-products, not the rates on live stock; there is no inducement offered to the people in the district affected to convert the products of the farm into a finished product and ship it out in that way. No preference of that kind is given now on mill feed. The policy of the government seems to be: Ship out the raw material in as crude a state as possible; exploit the resources of the country. Every inducement is being offered along these lines. If it is the intention of the government to afford aid to facilitate the production of these commodities why not adopt some other means.

and leave it out of the Railway Act altogether? If it is a form of protection that is going to be adopted for certain classes in certain sections, let us frankly admit it, but keep it out of the railway rates structure, and allow the railway commission to adopt a rate schedule that will apply without prejudice in all parts of the country.

When this matter was taken up by the government in 1922 everybody knew—in fact the Prime Minister himself made the statement—that the railway commission and the boards which were operating the Canadian Pacific and the Canadian National railways were waiting to see what action the government was going to take in regard to the Crowsnest pass agreement before reducing rates on the railways. They were waiting as far back as 1922. I say that the railway commission has not been treated fairly in that the government have not been honest with them, have not let them know what their policy was with regard to the Crowsnest pass agreement until this late day. Early in the present session we had a decision given by the Supreme court with regard to the validity of the act, which was found to apply to certain sections of the country and not to others. It was shown to have been a piece of freak legislation at the outset, and it is entirely inapplicable to conditions in this country today. We may well feel anxious as to the future of our country. We have had during the present session, which is considered by some to be the last session of this parliament, all the evidences of a government that had absolutely no regard for the financial situation which confronts the country. Political expediency apparently is the impelling influence back of the government, they are evidently now trying to make an arrangement with the Progressive group to my left to secure their support. My hon. friends to my left are protesting that they are not getting enough in this measure; they want also to have a cheaper rate on goods shipped from the east, into the prairie provinces as well as on commodities going out. That is the only thing that will satisfy them. It is only a few weeks ago that they insisted upon the completion of the Hudson Bay railway, and yet they are complaining about the duplication of railways in western Canada. Well, duplication is not confined to western Canada. We have the same thing in Ontario and in other parts of the country. The old Intercolonial has even been duplicated by the Transcontinental. It was absolutely unfair to the people and uncalled for, but because of the extravagance of the government during

the early part of this century we have now to pay the penalty for all this duplication, and that is the main reason why it is impossible to get people to go on the land and continue on the land in this country.

It is all very well to say, give the board that is administering the Canadian National railways, a free hand, and allow them to carry on just as they see fit, regardless of the deficits that may result in the operation of the railway; so long as the people of this country will come forward and make up the deficit, in connection with operation, that is what is being done. We are going backwards. We are slipping back at the rate of about $100,000,000 a year in our operation of government railways, and where we are going to land is quite apparent to anyone who has watched the proceedings of this parliament during the present session. I consider the conduct of the government in providing for lavish expenditures during the present session, nothing more or less than a crime against the country. And while this is going on there are people in this country by the hundreds, yes by the thousands, who are packing their bags and looking to some other country in which to make a home. It is a serious matter to these people when they have to abandon the country in which they were born, and in which all their interests have been centred during a lifetime. These are the conditions with which we are confronted at this time. What are we doing to meet them?

On this question of railway freight rates the government have dilly-dallied from the outset. The Prime Minister admitted when that committee was appointed, in 1922 5 p.m. that the government was holding up this question of the adjustment of rates until they saw what the findings of that committee would be, and now here we are in the last days of this session in 1925 considering this question. As far as the convenience of the members of this House is concerned, I do not think it matters much whether we get through here in a few days or have to stay here the whole year, now that we have made such a bungle of the country's business. But the government are responsible, and they cannot evade the responsibility. They cannot place it upon this House. The government must accept the responsibility for crippling the railway commission, for interjecting this disturbing element into the railway rate situation in this country. The government must accept the responsibility, and the sooner the people have to decide this matter between the government and themselves the better it will be for all concerned.

I had no desire to participate in this debate, but I have taken the stand from the very outset when this matter was up three years ago that the government should deal with it, and not pretend that they were having a committee of the House appointed to deal with it. In the Speech from the Throne at the opening of this session the question of railway rates and the question of ocean freight rates were two of the chief features dealt with as they also were of the debate on the Address, yet the government sat here day after day during that debate, dumb as oysters, and they would not declare what the government policy was with regard to these questions which had been featured in the Speech from the Throne. We now know the reason why. It was because they wished to bring in this matter at the tail-end of the session in the form of a bill such as we have before us to-day with the hope of getting it through. I believe the predominating influence with this government has been none other than political expediency, bargaining and bartering with certain influences in this country rather than carrying out the view which I am sure the Minister of Railways must entertain with regard to the question.

I do not intend to say anything further with regard to the matter. I am absolutely opposed to this legislation, which interferes with the railway board, which ought to be enabled to deal with the question of railway rates in this country, and also with an adjustment of the scale of wages paid to the employees of the railways, and other privileges extended to them under the awards which have gone into effect in years gone by, with an absolutely free hand.

Mr. HUMPHREY: The hon. gentleman read certain statements, one from the late chairman of the Board of Railway Commissioners and another from the ex-Minister of Railways, casting certain reflections with reference to the wages paid to railway employees. May I ask if the hon. member is not aware that since 1920 the railway employees have contributed to the Dominion of Canada $45,000,000 per year in reductions in wages?

Mr. SUTHERLAND: I do not know what my hon. friend means when he says they have contributed $45,000,000 to the Dominion of Canada.

Mr. HUMPHREY: That is the admitted reduction in wages.

Mr. SUTHERLAND: Undoubtedly there have been some reductions made, but there is in effect to-day a scale or classification in regard to wages, and as to time, that I think is sadly in need of adjustment. I quoted statements made by the chairman of the Board of Railway Commissioners at that time. I could give further statements, if I thought it would be of any interest. I might point out that there has been an evident attempt on the part of interested parties to make the railway question a political question. I have before me the main editorial in the Toronto Globe of December 12, 1921, which says:

There were cries of "treachery" when the two leading Conservative papers of Montreal, a few days before the polls opened, ceased to support and began to criticize the Meighen government.

Further on I find the following:

In effect, putting the matter bluntly, the Montreal Star and Gazette, and the powerful group of financiers for which they speak, ceased to help their friends of the Conservative party because Mr. Meighen and his supporters stood to their guns on the question of public ownership and operation of the National Railways.

I am not going to refer to any more editorials, further than to point out that there are certain influences in this country which are determined to have their own way regardless of the general effect on the whole country, and to my mind the only possible way we can deal with this matter is to have a railway commission who are competent, who will exercise their judgment to the best of their ability and who will deal with this matter free of influence from the government or any other source. They must deal with this matter. They are the only people who can deal with it. We have interested parties who are continually using their influence to promote their own ends. We see the result in the stagnation of business. We find our country so badly crippled to-day that we are doubtful as to the future. This matter should be in the hands of the Board of Railway Commissioners, and consequently I am absolutely opposed to the bill.

Mr. LADNER: I asked the Prime Minister, when he made his statement this morning, a very short question of considerable importance to British Columbia. He did not cover it in his statement, and I have written out the question. The Prime Minister referred to the policy of acquisition, and created the impression that it was a policy extending to British Columbia in which we are vitally interested, and I desire to get an answer to my question, which is as follows:

Will the government say now as its definite policy that if British Columbia appealed to the Governor in Council from an adverse ruling of the Board of Railway Commissioners, the government would set aside any ruling of the board which would increase the rates to Vancouver beyond the present rate of 22½ cents?

Would the Governor in Council on appeal, so far as the government policy is concerned, fix the rate on grain moving from the prairie provinces to Pacific coast ports at a rate equal to the present Crowsnest rate on grain going eastward so that the present 22½ cent rate from Calgary would become 18 cents?

On the word of the Prime Minister favouring equalization, I do not see how the government could honourably refuse to do so. Does the Prime Minister not think British Columbia is entitled to that definite assurance by the government now?

Mr. MACKENZIE KING: If my hon. friend is not accustomed to the proper reply to give to a hypothetical question, I will say to him that I should not wish at this moment to answer it. If an appeal were made to the Governor in Council on any matter it would be dealt with in accordance with what I have said to-day with regard to the government's policy.

The CHAIRMAN: The question is on the first amendment, and I understand there will be no objection to this amendment carrying, in order to get on to the next section which is general.

The section as proposed to be amended by Hon. Mr. Graham would read as follows:

But such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur, over all lines of railway now or hereafter constructed by any company subject to the jurisdiction of parliament.

Amendment agreed to.

The CHAIRMAN: The second amendment is to insert, after the word "thereto," in the sixth line, in order to follow the amendment in paragraph 3, the words "within the territory."

Amendment agreed to.

Mr. CRERAR: Before we pass to section 4, I wish to move an amendment, to add a new subsection to section 3. I beg to move:

That section 3 be amended by adding as subsection 7 the following:

"In any rates or tariff of rates fixed or approved by the board, rates in the territory lying west of Fort William in the province of Ontario, and east of the Rocky mountains, shall not exceed by more than ten per cent the rates or tariff of rates fixed or approved for the same commodities in the territory lying east of Sudbury in the province of Ontario, but nothing herein contained shall be taken to imply that rates in one territory are to be higher than rates in any other territory."

In order to give the committee the reasons that have induced me to move this amendment, it is necessary to traverse the history of the Crowsnest agreement, and I shall do

so as briefly as possible. This Crowsnest pass agreement, as every member of the committee is aware, was placed on the statute books of Canada in 1897. It remained there undisturbed until conditions produced by the war made necessary a suspension of the application of the rates under that agreement, and I am free to say, sir—and I think I am well within the judgment of every member of the committee—that if the war had not occurred, we would have had no discussion as far as abrogation of the Crowsnest agreement and its application to western rates is concerned. The agreement was in the nature of a contract made with the Canadian Pacific Railway. A good deal has been heard in the discussion whcih has taken place in the chamber in the last few days upon the sanctity of contracts. I do not wish to deal with that phase of the question at any length.

I may, however, be permitted to observe that when the Canadian Pacific Railway was issued a charter in 1881, it had a definite contract, for instance, with the Canadian government, and the Canadian people through the government, in respect of the matter of taxation, and that contract was consistently lived up to by the Canadian people, although in western Canada it imposed serious hardships and burdens upon many sections of the community. I do not wish, however, to argue on the matter of the contract. The purpose of the contract was not alone to give a subsidy for the building of the Crowsnest pass railway. That opportunity was taken by the government of the day to establish a principle in respect of western rates. The reason for the establishment of that principle is clearly evident. The whole question of freight rates in Canada is complicated and made difficult by the geographical character of the country. We have really in Canada, in the main, two separate communities. We have an eastern community, the eastern section of the country that lies east of the Great Lakes, and the western section of Canada lying west of those Great Lakes. Separating the two is a thousand miles of wilderness which, as I have stated before on other occasions, is the most significant political fact in Canada to-day. I may interject here that, in my judgment, the greatest task of statesmanship in Canada at this time is to reconcile the diverging interests of those two sections of our country.

The principle that was sought to be established when the Crowsnest pass agreement was given effect to was to afford a measure of protection to western Canada in the matter of freight rates. In eastern Canada freight rates are governed by water competition. They are at times governed by American rail competition. An instance of this is the grain rates from bay ports to Montreal and St. John. These rates naturally are influenced by the corresponding rates from Buffalo to ports like Philadelphia and New York. Consequently, American rail competition does, within certain limits, affect Canadian eastern rates. But the big factor governing railway rates in eastern Canada, as I stated a moment ago, is water competition. That fact is not denied, and it has not been denied in this debate. In fact, it was admitted in judgments of the railway commission several years ago, particularly in the case that, if my memory serves me aright, was known as the Eastern Rates case. What does this mean? It means a definite limitation on the rail rates that may be established in eastern Canada. That fact, let me repeat for the information of the committee, has governed the railway commission at all times in its consideration of rates.

With that fact I want the committee to couple the next fact which is this. It has been admitted, and it has not been challenged so far in this debate, that the railways must be permitted rates that will enable them to operate. No one will quarrel with that assertion. I may say however, in passing, that even that statement requires some qualification. It requires qualification in this respect that the country cannot afford to establish rates that will give the railways the necessary returns unless those railways are efficiently and economically managed. Consequently, the factor of economy and efficiency in management enters into the consideration of the question. But, by and large, the position has been taken by successive chairmen of the Board of Railway Commissioners and indeed, by the commission throughout in its various hearings, and it has been generally recognized amongst the public and not been questioned, that the railways must be permitted rates that will enable them to function and that will give them a reasonable return on their investment.

Hitherto, in all the rate cases that have been heard in Canada in the last twenty-five years, and particularly in the last ten years, the Canadian Pacific railway has been taken as the basis upon which rates should be fixed, for a very good reason. Everyone recognizes that if rates were established on a basis to enable the Canadian National Railways, or the various railways that enter into the Can-

adian National railway system to pay all their operating costs and to look after their fixed charges, those rates would have to be made very much higher than they are to-day, and such rates would enable the Canadian Pacific to earn far and away beyond what it is justly entitled to earn. Therefore, the Canadian Pacific has been taken as the basis for the establishment of rates. Right here, I wish to dissent from the argument advanced in this discussion by some members of the committee that it is necessary to establish rates to enable the Canadian National Railways to pay. The argument has been advanced that rates must be established to reduce the deficits on the Canadian National Railways. I submit that on the present capitalisation of the Canadian National Railways, that cannot be done; that is to say, rates cannot be established for the National Railways to-day, that will enable it to pay operating costs and fixed charges as well. That argument is not a sound argument, and it has never been recognized as a sound position by the railway commission in any cases that have been heard before them.

What then is the bearing of all this on western Canada? The prairie provinces have no natural competition in rates. I have pointed out to the committee the competition that exists and the control exercised over rates in eastern Canada by virtue of water competition. There is no water competition in western Canada. Consequently, rates in western Canada from the very day western Canada was opened up, have been higher and, in many cases, much higher than they have been in eastern Canada, and they are much higher to-day. The Crowsnest pass agreement specifies rates on certain commodities westbound. If you take those rates to-day on all those commodities, even the Crowsnest pass rates, they are higher in almost all similar instances than rates in eastern Canada. Where then is the argument that the Crowsnest pass agreement constitutes a discrimination against eastern Canada in favour of western Canada? It does not exist. I do not need to give the figures because they have already been placed on Hansard by some hon. members around me who have preceded me in this discussion. But I repeat, that situation obtains to-day. No matter what may be said in respect of the cancellation of this portion of the agreement that applies to westbound rates, any man in his senses in this House or out of it knows there will be only one result, and that is that rates on those commodities westbound will be increased. The traditional policy of the Liberal party for over twenty-five years in Canada was formulated in the Crowsnest pass agreement and the purpose of that agreement was to give a governing control over those rates in western Canada through establishing statutory maxima that could not be exceeded. It was the policy of the Conservative party when they were in power in this country subsequently to the establishment of those rates under the agreement of 1897. I repeat, that would be the policy of Canada to-day, were we not in a position where the railways admittedly are in difficulty in securing the necessary revenues to keep them going and, consequently, are seeking relief through the abrogation of those westbound rates; and the abrogation of those rates under this legislation will result almost immediately in an increase in them to western Canada.

Now, let me say in all fairness that the position of western Canada is not understood in the east. Let me ask hon. members to go with me for a moment to the prairies; take the provinces of Manitoba and Saskatchewan. And what I am about to say is even more true of these two provinces than of Alberta. What is our situation geographically? We are 3,000 miles from the ocean if we travel eastward; and we are almost a thousand miles, indeed, parts of Manitoba are considerably more than a thousand miles from the Pacific ocean. We are producing commodities that must find their outlet to the markets of the world through either one of these oceans. Everything that we buy we import from outside, most of it from eastern Canada, and consequently the question of freight rates is one of vital importance to the people of these provinces. There has been much criticism in eastern Canada of the desire of the prairie provinces, of Manitoba and Saskatchewan particularly, for the building of the Hudson Bay railway. The Hudson Bay railway may be a dream; the Hudson Bay railway might not function if it were built. I am not going to discuss that question at the moment. But I wish to draw to the attention of the committee this fact, that the pressure of opinion behind the Hudson Bay railway is simply a manifestation of the aspiration of the people of these provinces to have a ready and quick outlet to the sea. That is the idea behind the Hudson Bay railway project, and surely you cannot quarrel with the position taken by these provinces in that regard, and even by the province of Alberta, further west. The position taken by the railway commission repeatedly has been that the railways must be given sufficient revenues in order to function. How does the situation appear to the western Canadian? And I ask my hon. friends from

Quebec and the Maritime provinces to transplant themselves for a moment to the prairies of western Canada. I am addressing myself particularly to my good friend the Minister of Justice (Mr. Lapointe), for whom I have the highest esteem. Let him picture himself on a farm out in Saskatchewan or practising law in a Saskatchewan town, or carrying on business in any enterprise whatever; and let him endeavour to look at the question through those spectacles. It is not denied that eastern rates are governed by water competition. Now, if the costs of railway operation go up, as they have been going up, where are the railways to get the necesary revenues to function? The leader of the opposition (Mr. Meighen) the other day enunciated a new policy for Canada, and that policy would certainly mean higher costs of living to railway working men. If the policy advocated in some quarters on both sides of the House is adopted in respect of the importation of coal and steel it will increase the cost of operation to the railways and sooner or later we shall be faced with the demand for a further increase in rates. Where are the railways going to get that increase in rates? If the prairie provinces are left without any protecting maximum in rates, the railways will make up the increase in those provinces, because there is nowhere else to get it. Whether that is right or wrong, let me in all earnestness say to the committee that that is the view of nine out of ten men in Manitoba, Saskatchewan and Alberta to-day, I care not what may be their religion or their politics or their calling.

We have no controlling maximum when this legislation is passed except in regard to grain and flour; and I want to say something respecting grain and flour. The impression has been left on the committee that these rates are not profitable. Now, I have as great an esteem for my hon. friend from North Waterloo (Mr. Euler) as I have for anyone in this House; but the hon. gentleman last night quoted figures which he said had been supplied by the statistical department of the Canadian National Railways and which I positively and absolutely decline to accept. And let me tell you why. In rate cases the Canadian National Railways, so far as I know, have never presented figures showing costs of operation, and income received from their western lines, but the Canadian Pacific Railway has supplied such figures. My hon. friend from West York (Sir Henry Drayton) stated last night in the debate that the grain rates even on the Canadian Pacific railway to-day were not profitable. My hon. friend is entirely mistaken. In the statements furnished by the Canadian Pacific Railway in the rates case of 1923 there was given a table showing the net earnings east and west, this statement being supplied at the request of counsel for the prairie provinces. I would ask the committee to bear with me while I read it, and to bear in mind that the crop movement in western Canada takes place in the months of August, September, October, November and December. During these months the greater bulk of the grain goes to market. The net earnings of the Canadian Pacific Railway for the year 1922, I believe, on lines both west and east, that is to say, east of Fort William, were as follows:

Month	Lines East	Lines West
January	$ 620,784 94	$ 466,164 37
February	898,498 96	372,504 36
March	1,766,989 35	1,094,105 12
April	1,415,683 77	1,669,001 77
May	1,796,690 39	1,980,023 02

You will notice there that the earnings in the west in the last two months exceeded those in eastern Canada. Why? Because, after the opening of navigation, the remaining crop was moving to the head of the lakes.

Mr. EULER: Are those operating earnings?

Mr. CRERAR: They are net earnings. I would direct the attention of the committee particularly to the later months, from August on. I want the Minister of Railways (Mr. Graham) to note this, because it must have escaped his attention.

Mr. GRAHAM: It has no bearing on the amendment.

Mr. CRERAR: It has, as I will show.

Mr. MANION. Whose figures are those?

Mr. CRERAR: They were furnished by the Canadian Pacific Railway at the request of counsel for the western provinces, given under oath; and are as follows:

Month	Lines East	Lines West
June	$1,450,143 92	$1,953,112 60
July	530,249 46	1,792,659 61
August	787,620 07	2,504,033 40
September	1,013,552 56	3,734,968 01
October	822,931 95	6,339,980 52
November	4,403 91	5,048,111 03
December	566,652 41	3,170,787 84

Those are the actual figures supplied by the Canadian Pacific Railway on this occasion.

Mr. FORKE: Have you the total figures?

Mr. CRERAR: The total earnings on eastern lines were $11,674,000; on western lines, $30,026,000. It will be observed that the months in which those heavy earnings took place were the months when the grain

moved most freely from the prairies to the head of the lakes. In the face of that, for my hon. friend from West York (Sir Henry Drayton), or even my hon. friend from North Waterloo (Mr. Euler), to state that these rates are not profitable is to me impossible to understand. But I will quote other evidence. Surely the president of the Canadian Pacific Railway has as good an understanding of this matter as any hon. member in this House. In the annual report to the shareholders of his company recently distributed, he attributes the decrease in their earnings to the shortage in the grain crop. He says:

> The decrease in freight earnings is largely accounted for by the much smaller movement of grain and flour, particularly the former, owing to the smaller crop in western Canada.

Now, if they were hauling this grain at a loss, how could the president of the Canadian Pacific insert such a statement in the annual report of his company? In other words, if the grain was hauled at a loss, he should rather be congratulating himself that the crop was smaller and his loss thus reduced. But in speaking at the annual meeting of the company, as reported in the Montreal Gazette of May 7, 1925, Mr. Beatty, in forecasting the prospects for the present year, used these words:

> If a good crop is garnered in this year, particularly in western Canada, we have cause for confidence that the result of the year's operations will be reasonably satisfactory.

Those are Mr. Beatty's words to his shareholders. The conditions of operation of the Canadian Pacific and the Canadian National railways in western Canada are so similar that for the reasons I have given I decline to accept the figures provided by the statistical department of the Canadian National Railways. Reference has been made to the fact that our grain rates in western Canada are much lower than those in the United States. That is true; no one denies it. The basis of rates in the United States is different from what it is in Canada, because the United States law governing the Interstate Commerce Commission permits differentials. Under our law such differentials are not supposed to exist unless there is undue competition. But there is another factor. The grain haulage in the states contiguous to the Canadian boundary is probably considerably less than half the distance of the grain haulage in western Canada. And I would direct the attention of the committee to this fact, that there is no freight moved with so little expense to the railways as is grain in bulk. All the railway company do is to put a car to an elevator—indeed very often they do not fix up the car—the car is loaded with grain by the elevator company, the railway agent seals the doors, the car starts on its journey to the terminals, and when it gets there the switchman shunts it to the elevator.

Mr. MACDONALD (Pictou): And it goes back empty.

Mr. CRERAR: That is true. I would point out to my hon. friend the Minister of National Defence that all these cars went back empty when the Canadian Pacific were earning the profits on grain haulage that I mentioned a moment ago. Furthermore, those full trainloads of grain are made up at prairie points and carried through without any switching at sidings, or anything else. Consequently from the very nature of the traffic, grain is a commodity that moves cheaply, and the present rates that are fixed in this bill are, I submit, profitable rates, to the railway companies.

Now, I do think that the government in providing that the Crowsnest pass rates on grain shall not be exceeded have done a very wise piece of work. I admit the difficulties of the government's position. I know the government must be responsible to public opinion throughout the country. I know that public opinion in eastern Canada—I think wrongly, but I do not wish to be unjust—has held the view that the west were securing favours under this agreement, and that it should be wiped out. I repeat, I appreciate the difficulties of the government,—and also the difficulties of my hon. friends to my right—in dealing with the prevailing view of public opinion in this part of the Dominion. But, on the other hand, you have just as strong a public opinion in the prairie provinces that the Crowsnest pass rates are fair rates as you have in eastern Canada that they are unfair, and we poor mortals in this House of Commons have somehow to compromise those conflicting views and arrive at something that is fairly satisfactory to all concerned.

I agree in considerable measure with the argument advanced by the right hon. leader of the opposition (Mr. Meighen) yesterday in respect to the contractual obligation under the Crowsnest pass arrangement. It is true that that agreement was in the nature of a contract with the Canadian Pacific Railway. There is no one in this House or out of it who, in his senses, would deny that the two parties to that agreement can abrogate or change it when they mutually agree to do so. No one can quarrel with that position, it is beyond question. But I do think my right

hon. friend overlooked this point—although in a later part of his speech he seemed to be cognizant of its importance—that the Crowsnest pass agreement was not solely in the nature of a contract conferring a favour. In fact, no special privilege was conferred by it at all. It was a form of protection with respect to freight rates to an area of country that had no other protection whatsoever. Consequently it cannot be designated as something in the nature of special privilege; it gave nothing to that section at the expense of any other portion of Canada. But I admit the difficulties of the situation. The government have announced their policy in the order in council which they promulgated a short time ago containing the instructions given to the railway commission to investigate the whole rate problem in Canada and suggest a rate structure that will be fair and equal to all; in other words, the principle of equalization is to apply in the creation of those tariffs.

Now, Mr. Chairman, I submit that the statement that rates will or can be equalized is misleading. You cannot have a complete equalization of rates in a country constituted geographically as Canada is; but you can approximate to an equal scale of rates, and that is what I desire to see embodied in the law by the amendment that I have proposed. I am willing to agree with the position taken yesterday by my right hon. friend the leader of the opposition in his criticism of the agreement if he goes further, as he intimated he might, and takes into consideration a statutory limitation to the railway commission in the fixing of rates. It is not the function of parliament to fix freight rates. I agree with that at once. If we started to create a rate structure, and undertook to finish our job, there would not be any general election this year. There is nothing surer than that. But it is a thoroughly sound practice—and I agree entirely with my hon. friend who leads the opposition in this respect,—that parliament can lay down the principle upon which the rates shall be based. That is what I seek to do in the amendment which I have submitted to the consideration of the committee.

Mr. LADNER: Does the hon. gentleman's amendment cover the territory of British Columbia?

Mr. CRERAR: No it does not, and if my hon. and good friend will have a moment's patience I will explain why. The purpose of the amendment is to embody in the statutes the broad principle of equalization which the Prime Minister has announced as the policy of the government, and which I accept because I do not wish now to question the good faith of the government or any member of it in that particular for a moment; it is the principle which has animated the government in the instructions given to the railway commission in the order in council. It is also the principle which my right hon. friend (Mr. Meighen) yesterday afternoon stated was a principle that could be admitted, at any rate for discussion. Now, I seek by the amendment to incorporate in the law that principle. And what is it? Not that generally speaking the rates in the prairie provinces shall be equal to those in eastern Canada, but that they shall not exceed by more than ten per cent the tariffs of rates fixed for the same commodities in the territory lying east of Sudbury.

An hon. MEMBER: East of where?

Mr. CRERAR: East of Sudbury, because I might add, I do not think it is denied by those who have studied the question, that rail rates from Sudbury right down to the Atlantic are governed by water competition. Let me repeat: the amendment seeks to establish the principle that in the prairie provinces lying west of Fort William the rates shall not exceed by more than ten per cent the rates in eastern Canada for a similar commodity.

Mr. LADNER: Why not apply it to British Columbia?

Mr. CRERAR My hon. friend is very impatient. That I submit is a reasonable proposition. It is not throwing on parliament the burden of fixing railway rates; it takes the whole thing out of the realm of parliament except insofar as the grain rates are concerned, and the grain rates should stand because beyond question they are among the most profitable rates the railways have. Let me repeat: It takes the matter of freight rates out of the hands of parliament, and deals with the issue in a broad way with instructions to the railway commission to guide them in their consideration of the matter.

My hon. friend from Vancouver South (Mr. Ladner) asks "Why is British Columbia not included"? Because the conditions of operation in British Columbia are wholly different from what they are on the prairies.

Mr. LADNER: In what respect?

Mr. CRERAR: The costs of operation in British Columbia are higher than they are on the prairies.

Some hon. MEMBERS: No.

Mr. CRERAR: Well I am possibly getting at cross purposes with some of my British Columbia friends. I grant the objection may apply as far as the Canadian National railway down to Vancouver is concerned.

Mr. LADNER: Would that interfere with the principle of fixing the maximum rates? Even if you enter into the question of the cost of operation the principle would still remain.

Mr. CRERAR: The haulage of goods, for instance over the Canadian Pacific main line from Calgary to Vancouver is vastly a more costly operation than it is on the prairies.

Mr. LADNER: But how would that interfere with the principle of fixing maximum rates.

Mr. CRERAR: If you adopted a maximum of ten per cent and applied it to British Columbia the railways might be compelled to operate at a loss and I do not wish them to do that. It would not be fair to the prairies to put the prairie operation on a parity with mountain operation for the reason that the former is admitted to be the cheapest operation there is in Canada. That is a view which has never been assailed.

Mr. MEIGHEN: If parliament should remove the physical disability of lake or water competition, should not parliament also remove the physical disability on an ordinary road?

Mr. CRERAR: I do not know that I quite get the point of my hon. friend's question.

Mr. MEIGHEN: The hon. member says that because the west has no water competition parliament should come to its rescue and remove that physical disability by fixing rates, say, on grain and flour. If we remove a physical disability for the prairies why should we not remove the corresponding one over the mountain section going into British Columbia?

Mr. CRERAR: I do not wish to get into a discussion of the rates of British Columbia. Let me say, however, that those rates are governed in a measure by rail transportation and water competition. For instance, it is a fact, which my British Columbia friends will admit, that to-day goods are going from eastern Canada to Vancouver through the Panama canal. I am told that goods have been moved from Toronto and Hamilton to New York by rail, there loaded on a vessel, carried around through the Panama canal, and delivered in Vancouver, and that fact exercises an influence on the rail rate from Toronto and Hamilton to Vancouver.

Mr. MEIGHEN: Just Vancouver?

Mr. CRERAR: I said Vancouver.

Mr. MEIGHEN: What about the Yale valley?

Mr. CRERAR: However, I am submitting this amendment as containing a definite principle which I think should be applied.

Mr. MEIGHEN: Would the hon. member be willing that this principle should apply to grain and flour as well as anything else?

Mr. CRERAR: No I would not. I anticipated that question from my right hon. friend, and I say that I would not because the rates established to-day on grain and flour, under the legislation which the House is considering, are profitable rates. Now, out in that western country you have the farmer three thousand miles from the Atlantic ocean. He must transport his products over that immense distance, and must sell his grain and live stock in open competition with the world. My right hon. friend wishes to put further shackles upon him by tariff increases and raise the cost of everything he requires in order to carry on that production. Then on top of that, I presume, he would give him further encouragement by increasing the rates on grain and flour. However, that is aside from the question. I submit that the principle embodied in this amendment is a sound principle, and I commend it to the consideration of the committee.

Mr. LADNER: I asked why not extend the principle of maximum rates on grain and flour to the port of Vancouver, and through that route, as well as to eastward points? Will the hon. gentleman deal with that question.

Mr. CRERAR: I did not understand my hon. friend to ask that question, but I am wholly with him on that. At the same time I admit the difficulties which exist in incorporating in a statute many special agreements in respect to rates. I am not a lawyer but if I understand correctly the amendment was passed immediately prior to the one I am moving, it gives the people of Alberta and the people of British Columbia a case upon which to ask for a reduction in western rates on grain and flour.

Mr. LADNER: Ask the board?

Mr. CRERAR: Surely, and they are obliged to act without discrimination.

Mr. LADNER: Why not include that in the hon. gentleman's amendment?

Mr. CRERAR: Because my amendment is dealing with a separate thing altogether. I trust my hon. friend will see that.

I do not wish to take up further the time of the committee. Everyone who sits down seriously and honestly to face the question of freight rates in Canada recognizes the difficulties which surround us. I think I understand and I appreciate the opinion that exists in eastern Canada. I think it is a mistaken impression—and I am afraid widespread—that the rates which we have enjoyed under the Crowsnest pass agreement were discriminatory rates in favour of western Canada. I repeat they were not discriminatory rates in favour of western Canada. They simply, for a long period of years lessened the disability in the shape of the existing freight rates under which western Canada grew up and developed. Let me remind the committee again that the very tenacious adhesion in western Canada to the Crowsnest pass agreement is not based on a desire for special favours from this parliament. It rests upon the fear that if these controlling maxima are removed, when the railway companies require an increase in rates to meet their costs of operation, western Canada will have to pay the shot. That is the reason for the intense feeling that prevails to-day in the western provinces in regard to this matter. I am here as a member of this House; I want to take an all-Canadian view of this question. I want to try and work out something that will be mutually satisfactory to east and west, for heaven knows the problems of this country are great enough and difficult enough without having sectional strife engendered through matters of this kind, and for that reason I submit to the committee and to the government the wisdom of adopting the amendment that I have moved.

Sir HENRY DRAYTON: My hon. friend has succeeded in doing one thing, doubtless to his own satisfaction. He has succeeded in showing there is absolutely no reason for the continuance of the Crowsnest pass agreement. The only object and reason that there can be urged for the maintenance of the Crowsnest pass agreement is that if that agreement is taken away rates will go up. He has shown to his satisfaction that, on the contrary, grain and flour rates are highly productive. My hon. friend, if he believes in his figures, will turn around now and say: We do not need the Crowsnest Pass Act.

Mr. CRERAR: By what stretch of the imagination can my hon. friend reason like that?

Sir HENRY DRAYTON: I am simply reasoning on commonsense. I am for the moment taking my hon. friend as stating something he believes in. Everybody knows that remunerative rates cannot be raised. Rates have to be maintained at a just and reasonable level, and if there be the millions in this grain business that my hon. friend says, he is quite safe in letting the Crowsnest pass agreement go. But he knows very well that the fact is not as he says. Why, Mr. Chairman, I can take the figures of the National railways and I can make just the same sort of showing with them that my hon. friend makes in connection with the Canadian Pacific. Those figures over those months, as anyone that knows anything about the business knows are illusory. What happens in connection with the grain movement?—and I will take the Canadian Pacific net figures per mile in eastern Canada and in western Canada. What happens? We will take the evidence of Sir Henry Thornton given before the Railway committee this year, and not only this year but in other years. We will take the evidence submitted in case after case. Now what has got to be done? We have in connection with the western grain crop movement a tremendous volume, for which very, very great preparations have to be made. We also have something as a result of that movement which my hon. friend ought to know; his counsel that drafted that resolution ought to have been fair enough to tell him that as a result of the weight of that movement, practically all the cost of maintenance, betterments and all that sort of thing, has to be met in western Canada before that movement commences. It is all done beforehand. Why, in connection with the autumn months of the year in western Canada it is practically all net outside of the exact cost of transportation. The road work is finished; it has to be, for there is an intense active movement which will not permit of road work going on at the same time.

Mr. CRERAR: That does not affect the totals of the net earnings I gave east and west.

Sir HENRY DRAYTON: I am not going to quarrel about earnings east and west, because there is no issue about that. Goodness gracious, when you have a far greater mileage in the west, you must have far greater earnings.

Mr. McMASTER: Or far greater losses.

Sir HENRY DRAYTON: Or far greater losses, as the case might be; the hon. gentleman is quite right. But what my hon. friend has argued is that these grain and flour rates are highly remunerative. I will admit this at once: The bulk of the tonnage on the Canadian Pacific Railway moves from a territory which is more contiguous to Fort William than the bulk of the tonnage on the Canadian National. The result, of course, is simply this: Every hon. gentleman that comes from the west and takes a real interest in this question, and not merely a political interest which leads him to talk about the west being shackled and other kinds of nonsense, knows this, that as we go to the longer mileage the rate comes down. We have the tapering going on, and while you can taper rates to advantage with greater profits to the company, provided your original base rate is right, if your base rate is too low, if you taper it too far, there is loss instead of profit. As a matter of fact—I am speaking now from memory—while the average rate of grain on the National is .52 per ton per mile approximately, the average rate on the Canadian Pacific is more like .58 per ton per mile owing to the shorter distance and to the fact that the scaling down has not been made. Under those circumstances the Canadian Pacific can make, and do make, a better showing than can the National in connection with grain and flour.

Now the next point which anyone who is at all fair in connection with this matter must consider is what the cost of the grain movement is, and I considered that when I gave the answer I did the other day. When I talk about a profitable movement I mean a movement yielding a real profit. One of the great factors of cost in connection with the grain movement is the collection and assemblage and carriage of an immense number of empty freight cars from all over the continent to western Canada. Those cars are carried sometimes from the Maritimes, as far as that; I have made them carry them for that length myself in order to see that the western grain crop was moved. I wonder if hon. gentlemen have any idea what that cost means. I wonder if they have ever considered it. Those figures given by my hon. friend pay absolutely no attention to that cost at all, not the slightest. The whole of the cost of getting ready for that grain movement, and it amounts to a tremendous sum of money, through eastern territory is all charged up to eastern territory, and the east practically does not get one single sou out of it. One of the reasons for a higher operating cost in eastern territory is that the eastern territory has to look after supplying all these cars for the west.

Mr. BANCROFT: How do these cars come to be there? Would they not be full cars when they go there, and would not that be credited to eastern territory?

Sir HENRY DRAYTON: In the first instance, the very great volume of western business is grain and flour. That does not last very many months in the year. Freight cars are worth something. If they are allowed to stand idle the investment is entirely idle. They have to be moved where there is business to be done, and they are taken to where there is business to do. When that business is done, they have to be taken back.

Mr. FORKE: Has the hon. member ever seen an empty freight car going east? I never heard of one.

Sir HENRY DRAYTON: My hon. friend is wrong about that. There are some that go east.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Sir HENRY DRAYTON: When the committee rose at six o'clock I was discussing the movement of empty freight cars, and I think the hon. member for Brandon was about to ask me a question. Perhaps he will repeat it.

Mr. FORKE: I only asked the ex-Minister of Finance if he ever saw a train load or half a train load of empty cars going east?

Sir HENRY DRAYTON: In what territory?

Mr. FORKE: From the west.

Sir HENRY DRAYTON: My hon. friend means in western territory. There is no question that his point is perfectly well taken. The burden of the empty car movement is not on the west but on the east. My hon. friend is quite right when he says he does not see any empty cars going from western Canada. Why, the waste of money occurs in getting cars from eastern Canada out west. My hon. friend from Marquette (Mr. Crerar) in giving his figures did not take into consideration any of these important factors. I was not in the House when my hon. friend gave his figures, but I have been told that he took the year 1923. He used Canadian Pacific

Railway figures, and I may say that in 1923 there was collected in eastern territory, Ontario, Quebec and even the Maritime provinces, 23,000 cars for the purpose of looking after the western business. Of course that is something which has to be done by the east entirely at its own expense.

Mr. STEWART (Humboldt): Admitting my hon. friend is right in his figures that there is a movement of empty cars westward, will he not agree that the higher the freight rate on the commodities moving to the west, the more empty cars will go that way?

Sir HENRY DRAYTON: The best way of remedying empty car movement would be a higher tariff on importations from the south, which my hon. friends to my left are so fond of engaging in, instead of using their railways. As it stands at present the figures are 23,000 cars for the year 1923.

Mr. CRERAR: At what season of the year are they moved west?

Sir HENRY DRAYTON: In time to look after the crop. When I was on the railway board I used to start prodding up the railway companies early in May for the purpose of making sure that the empty cars would be moved west in time to look after the grain crop. Using round figures, in 1923 23,000 cars were moved from eastern territory, and the cost of moving every single one of those cars was charged to the east.

Mr. CRERAR: How did those cars get to eastern Canada? They carried freight of course.

Sir HENRY DRAYTON: My hon. friend is rather incorrect in his assumption. In connection with the movement of that grain crop looked after by these cars, which my hon. friend ought to know something about, approximately only six per cent is moved by railway cars in eastern territory. That may be news to him, but it is the sad fact that anybody who has anything to do with railway rates in eastern territory knows. In other words, eastern territory pays the whole cost of getting those cars there, and only enjoys six per cent of a haul out of that whole movement, and yet it is all charged to the east. Has my hon. friend any idea about overheads in business? Is it possible to get him to understand that? I wonder if it is possible to get him to realize that in connection with the overhead of a business which goes on for twelve months in the year, you have a twelfth of the overhead to be looked after month by month, and if you have a business that is practically all peak and a business which is confined to a comparatively short period, the overheads are infinitely greater. Does my hon. friend understand that? He loses all sight of that, and pays not the slightest attention to it, any more than he pays attention to the amount of money that is spent in preparation for that movement before the movement commences, but which is just as chargeable in expense to that movement as is the coal used in the engine itself. Of course these considerations have to be lost sight of when we can get hold of a few characteristic figures, really meaning nothing, but making first rate material for a political speech.

Mr. FORKE: A great piece of bluff.

Sir HENRY DRAYTON: I did not quite catch what my hon. friend said. I want to do him justice. Would he repeat it.

Mr. FORKE: I said it was a great piece of bluff.

Sir HENRY DRAYTON: I am afraid I cannot pay much tribute to my hon. friend from Brandon.

Mr. FORKE: To his intelligence?

Sir HENRY DRAYTON: I would not say to his intelligence, but to his capacity to deal fairly with a question which really requires fair treatment and which should not be treated from a sectional point of view. I should like to know whether he thinks, for example, that it is unfair to say that overhead has something to do with the length of time that is occupied. Would he say that? I do not think that is a point which I have been making. Would he say that it is unfair to charge the work necesary to be done for a given movement months before that movement takes place, to that movement? If he does, that just indicates the extent to which my hon. friend is prepared to go in looking at this question from a sectional standpoint. We have also, in connection with the grain movement, the peak that I speak of and, besides that, we have in western territory something which the hon. member for Marquette (Mr. Crerar) conveniently forgets about. We have at the same time the peak in the coal movement in that territory. Of course, it is all put down to wheat and flour when that is convenient; but the fact is that in western Canada we have two peaks occurring at the same time, and peaks, as any hon. gentleman knows who has any business experience, mean expense. The Canadian

Pacific Railway Company, the Canadian National Railways have to have on hand enough rolling stock to look after those peaks. The complete total of rolling stock in this country is by no means used all the year round. I would give the hon. member for Marquette credit for knowing that fact, but he does not give any appreciation to it in connection with the use which he makes of these figures. We have locomotives greased up during certain portions of the year.

Mr. HOEY: I think the hon. member is attempting to be fair. Will he comment just for a moment or two on President Beatty's statement with respect to the western crop as quoted by the hon. member for Marquette? President Beatty said:

> If a good crop is garnered this year, particularly in western Canada, we have cause for confidence that the results of the year's operations will be reasonably satisfactory.

Sir HENRY DRAYTON: I agree with my hon. friend absolutely. Until we had the figures from my hon. friend and the deductions from them, I was saying, what I still believe, that the most important thing in connection with public business in this country and our economic welfare is the movement of our grain crop.

Mr. HOEY: Then the railways are not carrying the grain at a loss.

Sir HENRY DRAYTON: My hon. friend is a little rash in jumping too early to that conclusion. Activities in any line upon any part of the system, which add to the buying power of the prairies, which create the buying power of the prairies, make and mean business all along the line. As I pointed out before, the position of the Canadian Pacific as a result of the shorter mileage is certainly very much better than that of the Canadian National Railways. There is no question about that. I pointed out that the average grain earnings per ton mile on the Canadian Pacific are more like .58 as against .52 on the Canadian National and that, of course, means a great deal more money for the Canadian Pacific.

Let us see what the proposition is that my hon. friend wants. Irrespective of volume, irrespective of public necessity, irrespective of all business conditions, yes, irrespective of the very life of the districts themselves, he wants to apply an arbitrary rule giving a variation of 10 per cent. I suppose what is sauce for the goose is sauce for the gander. If at the same time grain and flour rates in the west were brought up to a point within 10 per cent of grain and flour rates in the east, and that was put into effect and the western people knew it was put into effect as a result of the agitation of my hon. friend, the west would not be a safe place for him a year after that was done. It would be an absolutely dangerous place for him, because if anything could be done to ruin the west, it would be simply the adoption of what my hon. friend was pleading for this afternoon, applying it honestly and fairly over the whole situation.

Mr. CRERAR: I excepted flour and grain rates.

Sir HENRY DRAYTON: Just take notice of the wonderful fairness of my hon. friend. He excepts the one thing which western Canada is entirely interested in and dependent upon.

Mr. CRERAR: My hon. friend is not going to misrepresent me. I will tell him that right now.

Sir HENRY DRAYTON: Go ahead and let us see where it is wrong.

Mr. CRERAR: I stated that bulk grain rates to-day in western Canada are amongst the most profitable rates the railway companies have, and the evidence proves that. That is the case on the existing scale of rates and it should not be increased.

Sir HENRY DRAYTON: My hon. friend is interrupting now for the sake of interruption. He has said absolutely nothing which contradicts a single word I said. The grain movement is the heavy movement in western Canada. It is the one movement in which the rates are low and he says: Of course, I except that, but in connection with all other movements we want to come to your rate with the exception of 10 per cent. I am going to deal with the question of business and its percentages in regard to the different territories. It is exceedingly difficult fairly to segregate the result of any section of the railways, because all parts are interdependent and interrelated one on the other. But the traffic can be segregated. I will take the figures again for 1923 which are as follows:

	Western lines tonnage per cent	Eastern lines tonnage per cent
Grain movement..	55.9	17.4
Forest products..	8.7	10.05
Coal..	11.4	11.8
Ores..	2.5	1.0
Manufactured goods.. ..	20.0	56.4

In other words, the situation is this. In western territory practically eighty per cent of the traffic of western lines is carried at low class commodity rates. That is why the west is getting off so much more cheaply than the

east in connection with what it is actually paying. In other words, the freight schedule to-day that my hon. friend is attacking is a freight schedule which is looking after eighty per cent of western activities and looking after it so well that much less money is being taken out of the west than is being taken out of the east for the actual service rendered. As against that eighty per cent in the western territory, in the eastern territory the same class of traffic amounts to 43.6 per cent. This is a pretty good illustration of the underlying necessity of railway rates, that is to look after our real business at low rates, the business that the district is actually interested in. Eighty per cent of the whole business of the west is carried on at a low rate, as the figures show. But my hon. friend, in connection with some paper traffic, does not hesitate to imperil the whole freight structure and the economic future of Canadian railways to the great injury of his own province.

Mr. CRERAR: Will the hon. gentleman be good enough to state his case over again? I must confess that to me it is about as intelligible as Einstein's theory of relativity.

Sir HENRY DRAYTON: I would expect that from my hon. friend; I see he does not know anything about the subject.

Mr. CRERAR: Perhaps my hon. friend, who knows all about it, will explain why the net earnings of the system in western Canada came to $30,000,000 while in eastern Canada they totalled only $11,600,000.

Sir HENRY DRAYTON: We shall come to that point.

Mr. CRERAR: I was afraid you would get away from it.

Sir HENRY DRAYTON: There is nothing in this that we want to get away from. Now, I desire to point out again, not to my hon. friend, because he would not understand it, but to the committee, the great degree in which there is a peak in western territory while the tonnage movement on the eastern lines varies but little from month to month. In the last four months of the year, when the grain crop is carried, 54.97 of the western traffic of 1923 was moved. I do not know whether my hon. friend thinks that the rates per ton per mile have anything to do with the Einstein theory that he cannot understand them, but I have already given the figures and if he wants any further light on the point I shall be glad to help him. But I take it that he does understand something about the matter. Now I will come to what my hon. friend has in mind, namely, the total earnings; and I shall give them for two years. In 1923 the Canadian Pacific Railway operated in eastern territory 4,827 miles. And here I may explain that these are the results of the whole year when the costs are properly charged; they are not the first impression monthly statements at all. In western territory the Canadian Pacific Railway in the same year operated 8,259 miles. The earnings per mile of railway in the east were $17,893 as against $12,589 in the west. The expenses per mile of operation in the east in that year were $14,346 and in the west they were $9,069. The net per mile—the operating net and of course having nothing to do with fixed charges—was in the east $3,547 and in the west $3,520. These are the actual figures after the proper final calculations are made. If my hon. friend is not content to take the usual yardstick of ton per mile, I should like to know what his complaint is. Does he honestly think that he could get it any closer than a net per mile of $3,547 in eastern Canada and $3,520 in western Canada?

Mr. MEIGHEN: Is allowance made there for the charges in the east in connection with the empty car collections?

Sir HENRY DRAYTON: No allowance is made for that. In 1924 the mileage operated in the east was somewhat greater, 4,896 miles, while in the west it was also greater, 8,465. The earnings per mile in the east in that year were $16,632 per mile and in the west $11,312. The expenses per mile in the east were $13,197 and in the west $8,085. Hon. gentlemen will remember that I told them when we were first discussing the matter, that we always had lower expenses in the west, and this demonstrates the truth of that statement. The net per mile in 1924 was $3,435 in the east and $3,227 in the west. These are the actual concrete results on the final auditing of the respective mileages of the system.

Mr. HOEY: When you speak of the west you include British Columbia?

Sir HENRY DRAYTON: Yes, that is right. Now, my hon. friend (Mr. Crerar) is not to blame for the figures he presented to the House; counsel in that particular case had his own axe to grind and he prepared a particular statement which means very little. I was perfectly fair in pointing out that if my hon. friend really believes in his own figures he does not need any Crowsnest pass agreement at all. Rates that are remunerative cannot be raised because that would be unfair and unjust. But there is not a single western

member in the House who does not know that the Canadian wheat and flour rates are the lowest in the world.

Mr. CAMPBELL: Is not the hon. gentleman aware that the rate on the Canadian Pacific Railway from Goderich to Maritime ports is considerably lower than the Crowsnest rate?

Sir HENRY DRAYTON: I do not know that at all; I do know that so far as rates are concerned, the rate per ton per mile in the west is considerably lower than any I know of. If my hon. friend is able to find any considerable tonnage that moves in eastern territory at lower rates then he will quarrel seriously with the rate per ton figures showing the actual results as I have given them to the committee already, as being in eastern territory 1.173 as against .87 in western territory. All hon. members to my left who are members of the Railway committee know how the accounts are kept in the Canadian National and they know what the results are. If there is any truth whatever in this range of figures, why is it that the territory, the east, which it is said has such low rates is carrying the territory that has the high rates? The heavy tonnage was in the west all right. If there is the slightest economic truth behind the figures used by my hon. friend from Marquette why is it that in a year when central Canada produces a surplus of $22,000,000, the territory where we are told the rates are so high and the tonnage so great shows a loss of $2,200,000?

Mr. FORKE: You refer to the whole western territory right through to Prince Rupert, I suppose?

Sir HENRY DRAYTON: Certainly.

Mr. FORKE: Is it fair to do so?

Sir HENRY DRAYTON: I would have thought so. Why not? We are told the rates are even more out of line in British Columbia. It is all very well for hon. gentlemen to my left to say, "We have to carry the Grand Trunk Pacific to Prince Rupert." But we have to carry the same sort of stuff in the "long bridge" and the Transcontinental. Do not think you have any monopoly of these burdens. In that western territory where, according to my hon. friend (Mr. Crerar), the rates are so high and the tonnage so great, in that particular year there is a deficit in connection with the National Railways of $2,200,000, while in central Canada we produced a surplus of $22,000,000. Mr. Chairman, the thing is ridiculous. And, what is more, it is entirely against the interest of that western territory that such statements should be made. The worst thing that can happen to the western territory is to have its 80 per cent of traffic treated in the same way that it is treated in eastern Canada. Just see the fairness of this loaded proposition. Special rates for the heavy movement of western Canada; no special rate for the heavy movement of central Canada They are to have their special privileges, but in so far as the rates are concerned where the tonnage is heavy in central Canada, where there are commodity rates, notwithstanding the fact that they are not much interested in that business and very little moves under it, they are to come within 10 per cent of the same basis.

Are these grain rates high? Very profitable? Just let us see, Mr. Chairman. I made reference to the application by the railway carriers in United States grain territory on the prairies to the south for an increase in rates. I want the House to realize what rates these railways seek to have so substantially increased. First let us take the short distances. For 420 miles out of Fort William the rates in Canada are 14 cents per hundred pounds; for 417 miles in the American territory they are 20½ cents. Portage la Prairie with its mileage of 475 has a rate of 15 cents; a similar mileage in American territory has a rate of 23 cents. Carberry with its mileage of 525 has a rate of 16 cents; for the comparative mileage in United States territory the rate is 23½ cents. I take these small mileages because the density of movement in the shorter hauls is greater in the States than it is with us. If we take the longer mileages in which we are so much interested, we find the Lethbridge rate is 25 cents, as against 48 cents for a similar mileage in the United States. That is the class of rates that these companies are seeking to have increased. Let us take another feature of rate structures. The average rate in western territory was .87 cents on all traffic carried by the Canadian Pacific. The American companies are appealing to the Interstate Commerce Commission because they say they cannot get along with an average per ton revenue as high as 12.09 mills. Why, in 1921, one of their lean years, their revenue was 14.22 mills—nearly 1½ cents—as against .87 cents. Yet they are saying they cannot get along with that revenue. Why? Because it is impossible to borrow money, their earnings being insufficient to attract investors. They are quarrelling with earnings which yield them a trifle under 4 per cent on their investment. They want to get

5¾ per cent on the actual cash investment in their property. Here, as I pointed out the other day, we have the Canadian Pacific on the actual cash invested in their property earning a little over 4.3 or 4.4 per cent. I am pointing out, Mr. Chairman, that this is a pretty good confirmation of the figures of the National Railways.

Now, I should like hon. gentlemen to my left to again consider this grain business. I gave an illustration the other day as to how quickly things can change in this connection. The statistics worked out by the statistical department which I gave to the House are much more refined than what I am now going to give, they are more correct because they eliminate charges which, in part, cannot fairly be charged to the grain movement less yardage and the like; those are deducted in connection with the five and six million dollar odd loss I gave to the House. I should like hon. gentlemen to do a little figuring on this themselves, and as apparently they did not quite understand them I want to give the figures again. These figures nearly approximate what we are doing ourselves on the National system. Take a total freight traffic of seven billion ton miles, with an average rate per ton per mile of .55 cents. Let us assume that the grain traffic is 60 per cent of that, and in round numbers let us take it again, as I took it the other day, at four billion ton miles. Now, we have an average rate on our grain of .52 cents. Let us assume an operating ratio of 70 per cent. Then the average cost per ton mile is 70 multiplied by 55 divided by 100; that gives your average rate per ton per mile. Your operating ratio is 70 per cent of those receipts. that would give you for your cost .385 cents per ton mile. I think that is clear because there is nothing of an Einstein character about this at all. It is perfectly clear to everybody who wants to understand it and who really ought to understand it. That would give a net operating profit on grain of .52 cents which is the grain rate, less the .385 cents which is the average cost per ton mile, yielding a profit of .135 cents per ton mile. Now hon. gentlemen might think that was a very small thing, but it is a big thing. That was one of the reasons why I have always attributed much more money to this business than many railroaders did. That little decimal .135 of but one cent on a traffic of 4,000,000,000 ton miles gives a profit of $5,400,000. Now, just see how easy that is changed? Supposing we take the figures which we had last year, the same 7,000,000,000 ton miles of traffic with an average rate per ton mile of .763 cents. The general average rate has been raised, But we will take the round figures for the grain traffic of sixty per cent at 4,000,000,000 miles. The grain rate did not go up with the others; the grain rate still stands at .52 cents although the average goes up to .763 cents. Now, supposing we take the operating ratio which obtained, that is 91.08 per cent, make the same calculation and you have a cost per ton mile of .694 cents, resulting in an operating loss of the difference between that cost .694 and .52 cents or .172 cents, bringing about an actual loss of $6,880,000.

I do not think I should further delay the committee except to point out that my hon. friend wants the same rates as in the east. We would welcome that if it were not for one thing—we want to see the west function. My hon. friend wants the same paper rates as in the east, which will not help anybody except some newspaper editors, or some politician who wants to create a grievance here and a grievance there. I would have no objection if it were not for one thing. That is we all want to see the west continue to grow and prosper. If that is what my hon. friend wants let us in all fairness refer the whole matter, without any limitation, to the railway board. If it is my hon. friend's wish he can have the whole matter referred there; but it will not do to try and load the dice in two directions at the same time.

Mr. GRAHAM: I am not going to delay the committee more than a minute or two. My chief utterance will be that the government cannot accept this amendment, for the simple reason that if an amendment is to be accepted to give special treatment to a particular territory, even in addition to the special treatment in the extended territories covered by the Crowsnest pass agreement, on grain and flour, then let us throw the matter wide open and give the same treatment to all parts of Canada. The government has endeavoured, and hon. members have shown on all sides a wish, to meet the desires of the west, but our kind-heartedness does not seem to have been appreciated. If this additional advantage is to be given to the prairies extending to the Rocky mountains, then I say ignore the Rocky mountains and go through to British Columbia. If this additional advantage is going to be given to the prairies then open it up to the province of Ontario, give it to Quebec, give it to the Maritime provinces, and allow your railways to go to the demnition bow-wows.

Mr. MEIGHEN: The minister had better go right on now and deal with the whole problem.

Mr. GRAHAM: Well, as I pointed out in the House before, we are endeavouring to meet the views of a part of Canada that has had the Crowsnest pass rate for a long time. We are endeavouring to meet that situation, not so much for the people themselves as to meet the psychology of the situation so that the people of the prairie provinces will have no opportunity to feel that they have not been treated generously, I would say, in comparison with the other parts of Canada. I think I need not make any further explanation. I think my hon. friends will see that the government and parliament could not accept that amendment to give still further preferential treatment to the prairies over every other part of Canada.

Mr. BIRD: I will not detain the committee for any length of time except to say a word or two in support of the amendment which I think to be a very generous one from the standpoint of western Canada. The government in putting forward their proposition made two or three claims with which I want to deal. In the first place they claimed they were delivering the country from the confusion in which it found itself at the present time with regard to freight rates. I want to ask who produced the confusion, and why? One of the parties to the agreement is responsible for producing the confusion, and the reason for producing confusion was to defeat the declared will of parliament, to dispossess the west, and to fool the people of Canada. That is why confusion was produced, one of the most astounding pieces of psychological trickery this country has known. It reminds me of the trick of the pickpocket who will cause a disturbance in a crowd in order that his colleagues may get away with the jewelry. That was the cause of this confusion that has been projected into the minds of the people of Canada. This is the very thing that inspired Aesop's fable about the wolf and the lamb. You remember how the wolf stirred up the mud in the stream in order to have an excuse to devour the lamb. The railways of this country have precipitated the situation which is poisoning the mind of Canada, and if the public mind had not been poisoned the government could not have got away with this bill to-night. Now, the government by their passive attitude were responsible for allowing that poison to work in the public mind. A psychological situation has been created by the supineness of the government. They are responsible for it indirectly, and yet to-day they are bragging because this bill is going to cure the situation that they themselves helped to create. It is like a physician exposing a man to contagion, and then bragging because he has helped to cure him. That is the situation the government are in. Since last July they have condoned the action of the railways, one of the parties concerned in the agreement, in poisoning the public mind of Canada, and to-night they are taking advantage of that state of public mind. I challenge the government to say whether they could have got away with this if the ground had not been very carefully prepared for them.

Mr. GRAHAM: May I answer that question? If the government did not stand as the buffer, the whole Crowsnest agreement would have been wiped out at this session by an enormous majority. The government has been trying to protect my hon. friend so far as it could, and now it gets abuse for doing so.

Mr. BIRD: Why would the Crowsnest pass agreement have been wiped out at this session? Because the public mind of Canada had been prepared for wiping it out, and the government has been a party to that.

Mr. STORKE: We can do it yet if you go too strong.

Mr. BIRD: The real situation this last few days has not been the confused state of the freight rates in Canada; it has been the confused state of the public mind into which the freight rate situation has brought it. During this debate the government has not been free from the attempt to put upon us the onus, as though we were trying to defend an indefensible position, a position that is bringing Canada into a state of utter confusion in regard to its freight rates. The thing to be discriminated in the public mind —it may be too late—but what we want to discriminate in our minds is between the Crowsnest pass agreement as it stands to-night and as it will stand until this bill is carried, and the Crowsnest pass agreement as we knew it prior to 1917. We are not standing for the Crowsnest pass agreement as it stands to-night; we want the Crowsnest pass agreement as it stood prior to 1917.

The CHAIRMAN: I would call the hon. gentleman's attention to the fact that this debate has been limited by the amendment that has been moved by the hon. member for Marquette (Mr. Crerar). There is another general clause of the bill dealing with rates.

Mr. BIRD: If I get my remarks over all at once, Mr. Chairman, it will relieve me of the necessity of speaking later.

Mr. GRAHAM: Get it all out and you will feel better.

Mr. BIRD: The Minister of Railways (Mr. Graham) in presenting his case said that there were only three alternatives—to destroy the Crowsnest pass agreement, to continue it as it is, or to accept his own intermediary proposition. Now we on this side do not admit that there are only three alternatives. There was another alternative, and that was to restore the Crowsnest pass agreement as we understood it prior to 1917, and I might say, after listening to the case of the Solicitor General, prior to the decision of the Supreme court itself, because even the government itself according to his generous interpretation, stood for the old Crowsnest pass agreement until that date.

The Minister of Railways said that this bill was necessary in order to save the railways. He might as well have said that at first. I believe that that is the motive of the whole bill, to save the railways. These are the words he used. He said: "Parliament can ruin the railways." Now I think that is the gist of his whole position. Parliament can ruin the railways. The attitude we take expresses itself oppositely from that. We believe that the railways can ruin the people whom parliament is supposed to represent, and we believe that the railways will ruin the people if they do not wake up. We have abundant evidence to show that it is the people who need protection against the railways. We have come to the point, as one writer says, where we no longer ride on the railways, but the railways ride upon us, and they would ride upon us still more if the people themselves did not have some degree of say in this House. Parliament can ruin the railways indeed but this parliament, as it is presently constituted, has not much chance of ruining the railways. The railways have too many stout defenders in this House for parliament ever to ruin them. We have listened to some extremely good briefs during this debate on behalf of the railways. We have not heard any similar brief on behalf of the people of western Canada. We have had one or two good speeches on behalf of the west, but we have had nothing equal to some of the lawyer-like statements made on behalf of the railways in this debate. No, Mr. Chairman, there is not much chance of this parliament ruining the railways if it continues to be constituted as it is at the present time. The Crowsnest pass agreement, when it was first instituted, was meant to safeguard the people.

9 p.m.

The CHAIRMAN: I must again draw the hon. member's attention to the fact that there is a limitation to this debate. This is not a general rate debate by reason of the admendment that has been introduced by the hon. member for Marquette.

Mr. BIRD: I would ask the Chairman to have a little more patience with me while I develop my argument.

The CHAIRMAN: I cannot, because this debate is limited by reason of the amendment introduced by the hon. member for Marquette.

Mr. BIRD: I am sorry. I will endeavour to shape my remarks to meet with your views, Mr. Chairman. I was proceeding to say that the Crowsnest pass agreement in its first intention was meant to safeguard the rights of the people. That is the distinction between the original agreement and this bill. This bill is framed to safeguard the railways. The original agreement that we are asked to give up for this was meant to safeguard the people. That is the distinction between the old and the new, and that is the way it will work out so far as I can see.

The Minister of Railways complained that the yardstick, as he called it, as laid down by the Crowsnest pass agreement, was too short for modern conditions. He gave no proof of it, and I do not think there is any proof of it. I think the hon. member for Marquette proved conclusively that the yardstick laid down by the Crowsnest pass agreement is abundantly long enough even for present conditions. But supposing it was not long enough, supposing the yardstick had shrunk relatively, supposing it was no longer adapted; is the proposition of this bill before us the right one? This is to do away with the yardstick altogether. Is that the right proposition? I believe that the amendment is the right one, because it introduces what this bill alone abolishes; it reintroduces the yardstick, as the minister calls it. It lays down a standard by which rates in western Canada as they have been in the past will be determined in relation to rates in the east, where special factors enter into the situation, and will guarantee to western shippers a measure of justice.

Mr. McTAGGART: Would the hon. gentleman be agreeable to laying down the yardstick for other parts of the Dominion?

Mr. BIRD: I think what I have just said implied that a yardstick was necessary for the west in the sense that it was necessary for the east, because the east, as has been said over and over again in this debate, has its

controlling factors, not only in the water competition but in the American railways. We regret that these extraordinary pecautions should be necessary, but we cannot help the situation in which we find ourselves and if the Crowsnest pass agreement with its yardstick was necessary twenty-five years ago, it is necessary now. That is one thing that no person has dealt with in this debate. There was a reason for the institution of the Crowsnest pass agreement and that reason was the exposed position of the western shipper as compared with the eastern shipper. The Crowsnest pass agreement was not instituted for nothing. It was not a freak. There was a reason for it, namely to give some assurance to the western farmer and the western shipper that he would not be imposed upon in fixing rates. We are not contending for the former rates, but for a principle. It is all very well to say, "Trust the board", as our hon. friends to our right have stated. It is like asking Esau to trust Jacob.

The CHAIRMAN: I must call the attention of the hon. member to the fact that his remarks are not relevant to the amendment, and are therefore out of order.

Mr. BIRD: The Chairman's ideas of what is in order and my own ideas seem to clash at every point.

The CHAIRMAN: Sections 2 and 3 dealt with the general question of rates, and an amendment was moved by the hon. member for Marquette (Mr. Crerar) limiting the debate to a certain rate from Sudbury east and from Fort William west. There is a further clause dealing generally with rates, under which my hon. friend might discuss the question of rates. But the limitation of this amendment is so clearly defined that I submit there cannot be a general debate.

Mr. BIRD: The object of this amendment is to substitute something which is lacking in the bill.

The CHAIRMAN: No, not to substitute anything. It is adding a subsection to it.

Mr. BIRD: It is to supply something that is lacking under the bill. By inference I feel I have a perfect right to refer to these matters.

The CHAIRMAN: I rule the hon. member must debate the amendment. He can discuss the general question of rates under section 4, but he cannot do it on this amendment.

Mr. BIRD: We have heard quite a bit about equalization in this debate. The last speaker dealt very fully with the question of equalization. Now the socialistic belief of the ex-Minister of Finance in regard to the impossibility of equalizing unequal things is a little difficult to grasp in this connection. It seems to me that he suggests a remedy for this situation which amounts to robbing Peter to pay Paul, or cutting a little bit off the top of the blanket and adding it to the bottom. His profound treatment of the subject amounts to nothing more than that, and this profound remedy, this obscure and abstruse remedy has to be left in the hands of the Board of Railway Commissioners. Now I am treading on dangerous ground again, but I do not see how I can go ahead with my argument without bringing in the railway commission.

Mr. FORKE: The ex-Minister of Finance did nothing but talk about rates.

Mr. BIRD: I cannot talk about rates unless I bring in the railway commission. It seems to me to be a new conception of British government that we should relegate the most vital things in matters of government to commissions. Here we have something more important than taxation so far as the west is concerned. No proper conception of the British constitution would tolerate for a moment the relegation of taxation to a commission which had no responsibility to anyone, which represented nobody; and yet that is what our friends to my right would have us do. They would have us commit something which is more vital than taxation in this country to a body of men who are not responsible, with only some vague appeal from that body to the Governor in Council. That is a thing that cannot be tolerated for one moment on broader principles than we are considering to-night; and as we are situated in the west, we cannot subscribe to a theory of that kind, not only from the standpoint of theory but because of the lessons of experience. The railway commission, whatever their intentions may have been, have played into the hands of the railway corporations of this country as against the western shipper. That is what the western shipper believes, and he believes it because of the experience he has had, and yet we are asked to forego all the safeguards we have ever had and place our fortunes in the hands of a commission of that kind.

Mr. VIEN: Will my hon. friend say that he thinks the railway commission should disregard altogether the interests of the railway companies of this country, including the Canadian National Railways?

Mr. BIRD: Not at all; I am not contending that the railway commission should have a free hand in any direction.

Mr. VIEN: You said just now that the railway commission had played into the hands of the railway companies of this country.

Mr. BIRD: Yes.

Mr. VIEN: Will my hon. friend say that the Board of Railway Commissioners should ignore the interests of the railway companies which carry on the business of railway transportation in this country, including the Canadian National Railways?

Mr. BIRD: No, I did not say that. I think the railway commission should have regard for this parliament which represents the people, and carry out the policies laid down in parliament.

Mr. CANNON: The hon. gentleman has been criticizing the railway commission which is a judicial body. I raise a point of order.

Some hon. MEMBERS: Order, order.

Mr. CANNON: My hon. friends may laugh, but they had better read the rules of the House first.

Mr. BIRD: I have as much regard for the sanctity of the railway commission as my hon. friend, only I do not see as much sanctity in it as he does. If this theory of an all-powerful railway commission is to be carried out—and to all intents and purposes the government are at one—

Mr. CANNON: I do not like to interfere with the hon. gentleman's speech, but I raise a point of order and I should like to have a ruling.

The CHAIRMAN: The point of order raised by the hon. gentleman is the well recognized rule that judicial officers or bodies must not have wrong motives imputed to them in their hearing of cases or in their judgments. I did not understand that the hon. member was imputing wrong motives in what he said, but an hon. member cannot impute dishonest or any other kind of sinister motives to any judicial officer or body.

Mr. CANNON: If I understood the hon. member aright—and if I did not, I stand to be corrected—he said that he had no confidence in that board. Any hon. gentleman who says that he has no confidence in a judicial body certainly should be called to order.

Mr. BIRD: I was referring to the board, not as persons but as a system for regulating freight rates in Canada, and I have no confidence in the railway board as a system for fixing railway rates in Canada, because I believe it will work out to the detriment of the people of western Canada.

Mr. CANNON: Why so, may I ask?

Mr. BIRD: That is the point at issue.

Mr. CANNON: Would the hon. member not have any confidence in the decisions of that board?

Mr. BIRD: No, because I believe it is an arbitrary body far removed from the will of the people.

Mr. GARLAND (Bow River): Ask the Minister of Agriculture (Mr. Motherwell).

Mr. BIRD: If the railway commission were all composed of autocrats, Mussolinis, I would not trust them as a means of regulating rates in Canada. I will not trust any body that is not responsible to the people.

Mr. RINFRET: What about other courts of justice? If my hon. friend had a suit coming before a court, would he not have confidence in the decision of the judge?

Mr. BIRD: Judges deal with matters of fact, not with matters of policy. There is, however, something to be said about courts of justice being more representative than they are at the present time. The point I was coming to was this, that without some such provision as this amendment supplies, the west is going to be, as was so well put by the hon. member for Marquette (Mr. Crerar), eternally squeezed between the tariff and high freight rates. There is no doubt about that in my mind. The tariff compels us to buy our goods from the east, and this bill is going to compel us to pay increasing freight rates upon those tariff-burdened goods. I can see that the people in the north whom I represent, every time they eat at their breakfast table, will have the consciousness that they are helping to save the railways of Canada from ruination. They are going to pay more on the fruit they eat, on the things that enter into their houses. I would like hon. members to see some of the houses which the people of the west have to live in by reason of the high cost of building material. Every time a man tries to make his farm house a little more comfortable, he will have the consciousness that he is helping to save the railways of Canada from ruination.

The minister says that there are compensations. I do not think there is any compensa-

tion for taking away our safeguard in regard to westbound traffic. This amendment has in view the assurance of that safeguard. We do not want compensations. We want the thing that we have always had and rejoiced in—a sense of security as against the Board of Railway Commissioners. What is the use of talking to us about compensations? To-night I suppose we are standing at the open grave of the Crowsnest pass agreement, and the minister comes and talks to us of compensations. That does not comfort us in the least because, so far as we are concerned, the Crowsnest pass agreement is dead forever. It may remain on the statute book, but it is of no further use to us as a rate-controlling factor. Compensation means an equivalent. Are they giving us an equivalent? Why, they have taken a dollar from us, and they are giving us fifty cents back and telling us that is compensation. That is the situation. We started with a dollar and now we have fifty cents.

An hon. MEMBER: You are lucky.

Mr. BIRD: Yes. The man who went down from Jerusalem to Jericho was lucky too. In the midst of the confusion that has been created by the railways themselves—and I have literature at hand which shows how carefully, how elaborately, public opinion of Canada has been cultivated for a year now—they are trying to persuade us that we are being compensated. The minister has tried to persuade this House that we are getting something that we have not had before. We are not getting a thing that we have not had. Everything in this bill we had prior to 1917. But there is something lacking in this bill that we had prior to 1917. Something that we enjoyed in 1917 has been shorn from the Crowsnest pass agreement. So it is of no use for the minister to come along and say that we have been compensated. The Crowsnest pass agreement has been torn in two. Half of it has been thrown into the wastepaper basket, and the other half has been handed to us with a flourish. But we could not accept it in that spirit, because the soul of it has been destroyed. What compensation is there for the loss of a principle? "What shall a man give in exchange for his soul," the Scripture says, and the provision in the Crowsnest pass agreement whereby the west had an assurance in regard to rate fixing, was the soul of that agreement?

Mr. CANNON: How can the hon. gentleman reconcile the soul with anything material?

[Mr. Bird.]

Mr. BIRD: I have no desire to seek a bubble reputation at the cannon's mouth. I think I am interpreting the view of western Canada aright, especially that of the northern parts of the western provinces, when I say that, as generous as this bill is made out to be, while there are in it some things that we shall be prepared to accept if we cannot get what we want, it will be with regret and protest because we believe we are losing the principle of the whole thing. We believe that all the advantages we get in the provision made for eastbound freights will be absorbed by throwing the westbound rates wide open. That is our opinion and for that reason we regret to say that we cannot thank the government as warmly as we should like. Someone has said that if we knew all we would forgive all. Perhaps if we knew all the difficulties with which the government has to contend we would forgive all and probably think ourselves lucky, as some hon. member on the opposite side has significantly observed, in getting as much as we are getting to-night. Probably if we knew all that the Minister of Railways has to put up with we should be glad to get the remnant that is now handed to us. But that is only a tempered kind of gladness, and if this bill passes to-night, as no doubt it will, we in the west shall feel that we have lost the protection we have enjoyed for twenty years.

Mr. CANNON: I thought you were a free trader.

Mr. BIRD: Our friends to the right have as usual spoken of special privilege and patriotism; they have talked about doing things for the good of Canada. That nebulous object is always strutted out whenever some practical concern is to the front in this House relating to the life of the people. This idea of doing good to Canada as a whole does not commend itself to me as it is put forward in this House because it is always put forward as a screen to prevent us from getting concrete good. It comes badly from hon. gentlemen to the right as well as from our friends opposite to talk about narrow-eyed sectionalism. We always hear that plea put forward, at least we have heard it in the last four years, whenever anything vital to the west has been considered. I say this feelingly, because on all other matters we have heard the same plea; and to-night the Crowsnest agreement is going the way of the Hudson Bay railway. And their going is none the more graceful for the paeans of praise that come from the other side. These two things have gone and their going dates from the same time, 1917,

which was so fatal a year for western Canada. What western Canada has lost in the interval she has not made up and from all appearances to-night there will be no chance of her making it up. There is a dead set against the west in this House to-night; one can feel it in the atmosphere. It is no use denying this, for it is all too patent to anyone who has his eyes open. I therefore as energetically and earnestly as I can make my protest against the passing of this bill.

Mr. GOOD: The amendment proposes a restriction on the freedom of action of the railway commission, and the question arises as to why the railway commission should be restricted in any way. Our friends to the right argue that the commission should not be restricted at all, but I think it must be apparent to everyone in this House that there is at least a large section of the Canadian people who have lost confidence in the board. For one reason or another which I do not intend discussing, the Board of Railway Commissioners, on whom I make no reflection, have lost the confidence of a section of the Canadian people; and that being the case it would seem necessary that some kind of restriction should logically be imposed on the board. Even if we all had confidence in the board I think that it is only a fair proposition that some sort of basis of action should be specifically laid down by this House for the board to take; there should be some fixed principle to be applied. I do not see that up to the present time any such principle has been in force. The leader of the opposition (Mr. Meighen) has argued, very well I think, that the board ought to be provided with certain principles upon which to act, just as our courts are given laws to interpret and apply. But so far there has been nothing adequate of that kind provided the board. If the Minister of Railways now or sometime in a subsequent parliament would lay down some definite principles of equalization or otherwise for the board to interpret and apply, I do not think we should be in the position we now find ourselves in, and in which we have been for the past few years. I would suggest that until a sufficient body of principles is laid down in our Railway Act in the matter of freight rates it is perfectly logical and necessary, and not at all to be disparaged, that this parliament, representing the people, should tie the hands of the railway board in some way to prevent either discriminatory or, shall I say, unpatriotic action. There is a disposition here to regard as unwarranted any attempt at restricting the action of the board. But I submit that it is perfectly logical and desirable that until such time arrives as we have established certain adequate principles for the board to apply, some restriction of the kind should be adopted, limiting the freedom of action of the board.

Amendment negatived: Yeas, 38; Nays, 109.

Section agreed to.

On section 4—Tolls in tariffs filed prior to act to be deemed lawful.

The CHAIRMAN: By way of amendment the Minister of Railways proposes to substitute the following section:

4. To remove doubts the tolls specified in tariffs filed at any time prior to the passing of this act with the board in accordance with the provisions of the Railway Act 1919, are and shall be deemed lawful tolls until varied by tariffs filed with the board pursuant to this act, notwithstanding the provisions of any act or any agreement and notwithstanding any judgments or orders made at any time prior to the passing of this act with regard thereto.

The question is on clause four.

Mr. MACLEAN (York): Mr. Chairman. I have listened very closely to the debate during the course of which the Minister of Railways (Mr. Graham) said that the Crowsnest pass agreement had not only shot holes into the whole tariff structure, but especially was it injurious to the Canadian Pacific, and still more so to the National Railways. Well, if that is the case, something ought to be done to cure the resultant situation, and I am going to take a few minutes to suggest what I think parliament ought to do to solve the problem now before the people of Canada caused by the overbuilding of railroads, and still more by the changed conditions due to the opening of the Panama canal. What has happened? Not only are our railroads encountering a keener competition every day, but as time goes on it will become more and more serious. The outstanding feature of the railway situation before the people of Canada to-day is the competition that is steadily growing by the operation of the Panama canal and the creation of great seaports on the Pacific ocean, thus diverting traffic from our two railway systems. Not only is that competition steadily growing in volume, but the outlook for the future of our railroads is ominous indeed when we reflect that by the joint action of the United States and Canada the deepening of the St. Lawrence waterways will make Toronto, Buffalo, Cleveland, Detroit, Chicago, Duluth and other interior lake ports virtual seaports. That will happen in less than ten years, and will take away a tremendous amount of business from our

railways. The consequence will be that instead of the two great railway systems biting their heads off by needless duplication of transcontinental and branch lines, they will find there is not enough traffic left in the whole country to support one of them, or even the consolidated system which I suggested when the right hon. gentleman who leads the House (Mr. Mackenzie King) introduced his scheme for getting control of ocean freight rates. On that occasion I said that the country had been railroaded to death, and that to-day there was not enough traffic to support the wild race of duplication now taking place all over the country. I quoted good authority for the opinion that by the consolidation of the Canadian National and the Canadian Pacific a hundred million dollars would be saved annually to the country, and this money would be sufficient to pay a five per cent dividend on the three hundred million dollar stock of the Canadian Pacific, ten million dollars to an amortization fund to discharge the whole debt, and 4 per cent on a billion of dollars investment in our National railways. At once our railways would be on a paying basis, for there would be none of this senseless competition, none of this wild duplication, but instead a wise economy.

We have heard a lot in the course of this debate about freight rate structures, and some hon. gentlemen appear to use this term with great satisfaction, but it simple means a bill of freight rates. "Freight rate structures" is a phrase which rolls off the tongue as smoothly as the word "relativity,"—in fact we are hearing a good deal about the theory of relativity in connection with rate making. But the real cure for all the grievances that hon, members from the west have presented to the House is to be found in stopping this wild riot of extravagance in connection with our railroads. The people know that this is the cure, and they want it applied now. The government have attempted to find a cure in the two propositions which they have brought before the House this session. The Prime Minister introduced a measure known as the Petersen deal for the control of freight rates. It was presented to this House and was received with great applause from his followers.

Mr. GRAHAM: Order.

Mr. MACLEAN (York): I am in order. The Minister of Railways does not like to hear this because of the "fall down" which happened to that contract. And here and now another deal is presented to the House in the form of a reference of the railway problems to the railway commission instead of dealing with them here. These are the facts and on these facts I am going back to my constituency to try and seek re-election. I hope to go there in the month of September or October and that is what I am going to talk about. I am not going to discuss the Petersen deal. That has been one of the greatest failures ever witnessed in connection with any policy attempted in this country. The Minister of Railways says the Crowsnest pass agreement has been a failure, has been a fraud. In other words he has treated the people of Canada to a dish of crow and everybody is being called upon to partake of that dish. Down in the other end of the chamber a caw-caw party has been decided upon and hon. members there are in the same business. These are the two proposals made for dealing with the great railroad problem in this country: It is a dish of crow in the one case, and a caw-caw party down the line for the cure of our railroad problems. That is not the cure. We have got to begin in this House. We have to fight it out on the platform during the coming election and settle what we shall do about this mad system of railway duplication, of radio equipment and —those little baby parlors, on trains where they get "brer-rabbit" and all those things supplied to-day. That is not what parliament ought to be engaged in doing. Parliament ought to be engaged in curing the railroad problem of the country. That can only be accomplished by consolidating the two railroad systems. That will not only save the $100,000,000 to which I have referred but it will do something else. It will pave the way towards meeting the increasing competition that is coming from ocean and lake. Yet the only two solutions that have been suggested to us are the Petersen deal, and feeding out crow to the public. These remedies will not cure the evil at all. On their stand on this question the Prime Minister and his government, including the Minister of Railways, will be tried by the people of Canada in the coming election. That will be the issue unless somebody in this House has a better cure, something like the one which I have suggested. What I propose is that we should stop this mad rivalry of two railroad systems running in competition with each other. How many times have I gone up to Toronto and seen one train with a few passengers, and the other train half filled—a mad competition—with the passengers leaning out of the windows and laughing. The same

thing is true in the case of the transcontinental service, a mad race across the whole country, and even in the case of branch lines this race is going on. The only remedy that is suggested for all this is a dish of crow or a caw-caw party.

Some hon. MEMBERS: Oh, oh.

Mr. MACLEAN (York): My hon. friends may see something to laugh at but I do not take it as a joke. Never was the position of this country so serious as it to-day. Never did the people suffer under such taxation as they do to-day; and never was there such extravagence in spending millions of the people's money in a mad race to maintain two competing systems of railways where one would be sufficient and give better service.

Mr. VIEN: Would my hon. friend allow me to ask him a question?

Mr. MACLEAN (York): Yes, two.

Mr. VIEN: Does he forget the mad extravagence of seven or eight years ago?

Mr. MACLEAN (York): It has been going on for twenty years. It began, probably, with the Canadian Northern and the Grand Trunk Pacific, and has been aggravated by the policy of those who preceded the last government and the present government in office.

Mr. ARCHAMBAULT: What about the purchase of the Canadian Northern?

Mr. MACLEAN (York): That was a bad thing.

Mr. ARCHAMBAULT: What about the purchase of the Grand Trunk Railway.

Mr. MACLEAN (York): That was a bad thing too. But if these were bad things why aggravate the situation by continuing it? Why not try to stop it? I challenge the Prime Minister to come into my riding, I will go into his if he invites me—and I challenge the Minister of Railways to get up on the public platform and suggest some real remedy and not talk about "rate structure." To them "rate structure" is a fine term.

Mr. ARCHAMBAULT: Did not my hon. friend vote for the purchase of the Canadian Northern?

Mr. MACLEAN (York): If I did I am sorry, and I have repented.

Mr. ARCHAMBAULT: Did my hon. friend vote for the Grand Trunk Railway purchase also?

Mr. MACLEAN (York): I think so, yes, and I am sorry for it. Where is my hon. friend on the question? Let him tell me now where he is.

Mr. ARCHAMBAULT: I voted against it.

Mr. MACLEAN (York): Well, he is up a tree all the same because he is continuing the policy now.

Mr. GRAHAM: We are all sorry but that does not remedy the situation.

Mr. MACLEAN (York): The railway problem is before the government and the only cures suggested are the cures I have mentioned. Parliament is washing its hands of responsibility in connection with railroading in this country and is putting the responsibility on the railway commission. That will not do. We cannot unload this mess on the Board of Railway Commissioners. Parliament must clean it up. The Prime Minister and his colleagues have had that duty imposed upon them, and instead of discharging it we have the Minister of Railways with his two aides in the new King café going round serving the public and taking their orders for crow.

Mr. ARCHAMBAULT: That is some bird.

Mr. MACLEAN (York): In all seriousness I address myself to the House, and I address myself particularly to the Progressives down the line there. I say to them "You are talking about something that is a real question to you and I sympathize largely with you. But what you have suggested is not the cure; it cannot be brought about in that way." The only way it can be brought about is to stop this mad competition now going on between the two railroads that have two headquarters, two systems of publicity, two systems of express, and two systems of telegraph, whereas one only would do. The country demands but one and its view must be met. If this parliament refuses to amalgamate these two systems in view of the terrible competition that is coming to these two railroads by reason of the Panama canal, which will be very much aggravated by the building of the St. Lawrence waterways system, the responsibility is upon it. In regard to the St. Lawrence waterways the congress of the United States is voting millions of money, and if we got in touch with them and said we were ready to assume our share of the deepening of the waterways, we would be able to give employment all through the St. Lawrence territory, and we would create thriving sea ports on all our inland waterways.

Now I want to tell the Minister of Railways how far this water competition is likely to go, and I am going to quote his predecessor John Haggart, with whom I sat in this House

and many a time discussed this question of water competition. He used to say to me: "Maclean, I have had engineers, the most eminent in the world, come to me and say they are ready to canalize the country from lake Superior to the foot of the Rocky mountains, and if you did that there would be hardly any traffic left for the railroads." That is where water competition is coming in this country. It is coming; it is knocking at the door. It has come in the United States on the Pacific coast, and will come to us here in Canada in less than eight years, if the programme of the government of the United States gets started, and it will be a lightning programme. The work will be divided up into sections and will be done in less than eight years. If that comes about, are we still to go on with this mad competition, maintaining these two unnecessary systems of railroads? The opinion of Montreal is that instead of two systems of railways there ought to be only one; the whole story in the Montreal Star last night, was that the two-railroad system was a mistake, with all the squandering on railroad construction that has gone on in this country resulting in the deficits we have on the Canadian National to-day. My proposal to this House for ending that deficit is to consolidate the two roads, and to stop the mad duplication, the wasteful competition, save the money, and get ready for this water competition that is coming to our railroads. Why, if this competition goes on, as it is likely to do, there will not be enough freight traffic coming in to support the two roads. My friend the late chairman of the railway commission has told us that the railways have to earn enough money to carry them on. I say these two railways cannot earn enough money to carry them on, and we shall have to make up the deficits in one way or another on both these roads, year after year, unless we stop this mad competition, and if we do not stop it, the people of this country will stop sending us to this House to represent them, and will find other men who will deal with the situation.

I am not going to take up any more of the time of the House. I have had the attention of the House. I do not know whether I shall have the attention of the country or not. I would like to speak a little about what chance anybody has of getting the ear of the country these days, when we have—I do not want to say what condition of affairs—but I hope the newspaper situation will improve and that once more we shall have some newspapers that are not afraid to tell the people what the real conditions are, and especially with regard to this mad duplication in railroad construction. What we do want in these hard times is to induce the American government to start at once, with our co-operation, the development of the St. Lawrence waterway, the creation of seaports on the lakes, and if necessary, even to canalize the country from lake Superior to the foot of the Rocky mountains. Why, John Haggart used to say: You might see a seaport on lake Winnipeg, and he had good reasons for saying that. I have only two things to say to-night, and I have only two things to say when I go to the country, and I hope to go. I will tell the people that this mad dance, this wild frolic, this crazy carnival that is now going on, with two railways, two headquarters staffs, two sets of lawyers, two propaganda and publicity departments, two systems of express, two systems of telegraphs—

Mr. CAMPBELL: And two immigration systems.

Mr. MACLEAN (York): —and two immigation systems, duplication in every direction—all this must stop. You would think we were over-stocked with money. The money craze that was caused by the war and war profiteering has been carried into the business of this country down to the lowest branches. What we want is economy. We do not want extravagance, but economy, and it has got to come, or something is going to be wrecked. We have the predictions of the Minister of Railways, and the opinions that have been read to the House especially by my hon. friend from South Oxford (Mr. Sutherland), and if this sort of thing goes on in the railways, those predictions will come true, and there will be railroads wrecked and people too.

The west is crying for relief from the present railway situation, and so is British Columbia, and so are the Maritime provinces; it is what we want here in the east, and yet we are not dealing with that problem. We are sidestepping it by such proposals as the Petersen deal, and we know what that means. There never was such a fine lot of promises as were made in this House in the second month of this session when I rose and congratulated the government, and especially the Prime Minister, upon their attempt to solve the ocean freight problem, but I said: You are not going the right way about it. Instead of subsidizing a new line, put the Canadian Pacific in with the Canadian National, and use their line of passenger steamers and freight boats with the ships of the merchant marine, and then you will start to solve the ocean freight rate problem. You would not only get a solution

of the ocean freight rates problem, but you would get a real consolidation of the two railroads with all the economies that would be derived therefrom. If you do that, you will start the country on a new wave of prosperity, and especially will you start the country on a new wave of prosperity by developing the waterways and establishing seaports, planting them right up to Duluth and perhaps up to the foot of the Rocky mountains. I am not giving you any pipe dream. I am presenting the cold-blooded facts as they present themselves to me. I am talking now as one of the elder members of this House. I have been in this House a long time—

Mr. VIEN: Does the hon. member propose to sell the Canadian National to the Canadian Pacific, or to purchase the Canadian Pacific?

Mr. MACLEAN (York): I would take over the Canadian Pacific and merge it with the Canadian National. The Canadian National is owned by the people of Canada, but God knows who owns the Canadian Pacific. Two-thirds of it is owned in New York and London, and we have not any control of it. but we have control of the Canadian

10 p.m. National, and the Canadian Pacific will be glad to come to us the minute we say we are ready to deal with them. They cannot take over the Canadian National, nor would the people of this country stand for it for one minute. The Canadian Pacific tomorrow might pass into the hands of the New York Central or the Pennsylvania, or any of the other great systems in the United States, and then they would be masters of this country. I am an absolute believer in the Canadian Pacific. I am one of the few men in this House who knew George Stephen. I am not boasting at all, but I have often talked with him and Lord Strathcona. I knew the two of them to be great friends of the National Policy in the old days. They were very simple men, and they had a great railroad scheme for this country, and it has been achieved so far as their ideas went. The Canadian Pacific is a great railroad to-day, but the Canadian National is a greater one, and it is owned by the people of Canada. But these two railroads are being extravagantly run and a way has got to be found of bringing the two together into one system, and of using the ships of the two systems also to solve our problem of ocean transportation. If we do that we will make our railways pay within one year after consolidation takes place. The real merit of the consolidation of the two systems is in the economies that will be effected, but the greatest economy that will result from the consolidation will be the re-routing that is allowed by such consolidation. We will take the best parts of either system, whether it be in reference to grades, bridge crossings or entrance, into the towns, and we will put these two lines together, re-route them, and take the best features of both. We will double track them, and out of the two systems we will make a great transcontinental line. I hope that the transcontinental business will require a four-track system, and some branch lines may need double track equipment. If we do that, we will effect real economy, and it will not cost much.

This country wants us to stop this mad policy of duplication and immense deficits in connection with two unnecessary systems, and to get down to the real problem of dealing with the St. Lawrence waterways, and bringing ocean steamers from the Atlantic right up to the head of lake Superior. If we accomplish that object we will witness improvement in our affairs, the farmers will be in better shape and the freight rates will be reduced. There is an enormous expenditure on the two systems. The hon. member for West York (Sir Henry Drayton) is very well posted on all these questions, but I am sorry he has not quite seized this idea. After all his experience he has not yet told the country something which I am sure he absolutely believes, namely, that the duplicate system is worn out, and the time has come for a single system.

People ask, "What would happen if we had one system of railways? Would we not be ridden by labour unions or things of that kind?" I do not believe it. Ontario has a publicly-owned railway and it is well run. We have a publicly-owned railway in Canada and it is well run. Ontario has a splendid system of distribution of electrical energy which is well run. My own city has a splendid system of transportation publicly-owned. I think I know what is going on in the United States, and I tell the House that the United States is advancing in this line. In the United States they have in mind the consolidation of the transportation system and have ordered its consolidation. The railways over there have been consolidated into eight regional divisions, and now they are going to get the number of divisions down to five. In a short time you will see these divisions consolidated, and the day after they are consolidated the American people will take them over and run them as the railway system of the United States. That is the line on which the world is moving. The people of Canada

are beginning to realize the position and desire to see consolidation, and that is why the demand is now made in this House. I am suggesting the proposition with my own feeble voice, and I am going out to the country to talk in the same way. I will make this problem one of the main issues, and associate with it, perhaps, the tariff issue in my district. I know of no other two issues equal to the railway policy and the question of a sound, sane fiscal policy, based on economy as well as protection of native industry. I leave the question where the responsibility lies, at the doors of this government and of this parliament, and I will ask them to state their policy to the country on the issues that I present here to-night. If they fail to provide a remedy for the present condition the responsibility is on them. I hope to see men come back to this House who will deal with the question from the point of view I present to-night.

Mr. FORKE moved:

That there be added to section 4 the following:

Provided that nothing herein or in this act contained shall in any way affect the pending litigation between the government of Manitoba and the Canadian Northern Railway Company arising out of the agreement between the said province and the said company dated 11th February, 1901, confirmed by chapter 39 of the Statutes of Manitoba, 1901, or any right or obligation of the parties thereto, or either of them, expressed in the said agreement and the said statutes.

He said: I will say a few words in explanation of this amendment.

Mr. STEVENS: Does my hon. friend intend this as an amendment to the amendment of the minister?

Mr. FORKE: It might be put as an addition.

Sir HENRY DRAYTON: As another clause.

Mr. FORKE: Yes, it would be another clause added to section 4. In explanation I might say that in the year 1903 the provincial government of Manitoba made a contract with the Canadian Northern Railway. That government guaranteed the bonds of the railway company to the extent of $20,000 per mile for 290 miles from the Manitoba boundary to Fort William and Port Arthur. They also gave guarantees to the extent of $10,000 per mile for other lines within the province, and an option to purchase what was then known as the Northern Pacific system in Manitoba. The railway gave a covenant in return for this guarantee that the Lieutenant Governor of Manitoba should have the right to fix rates on the company's line in Manitoba to Fort William and Port Arthur, and from all points in the province to other points in the province. The company covenanted not to charge passenger or freight rates higher than the rates so fixed. The Manitoba government discharged its obligations. This legislation was transmitted to the Secretary of State at Ottawa. As is well known, perhaps, it has been argued that this agreement was abrogated at a later date by Dominion legislation. This has been contested by the province of Manitoba, and, as perhaps the House is aware, the decision of the Supreme court was given against the province recently. The province has now appealed to the Judicial Committee of the Privy Council. That action is still pending. The decision has not yet been given, and according to the way in which section 4 is worded, if this amendment is not carried, even suppose the decision of the Privy Council were in favour of the province, they would not be able to reap any benefit from that decision. They would not be able to have the advantage of those rates. All they would be able to get would be that they would have to pay the bill of expenses. If this amendment is added to this clause and it so turns out that the decision is in favour of the province of Manitoba, then they will have the advantage for which they have paid in the years gone by. This does not otherwise injure the bill in any way. It is simply a proviso added to this clause of the bill.

Mr. GRAHAM: The leader of the Progressive party (Mr. Forke) has forsaken the Crowsnest pass agreement, and he is now going to rely upon a Manitoba agreement in place of it.

Mr. FORKE: You are wiping out the agreements.

Mr. GRAHAM: Not at all. So far as the Canadian Northern was concerned in the Manitoba agreement, that was to assist the movement of grain, flour, and so forth. The committee will, I think, realize with me that one of the objects of this bill is to wipe out, not litigation, but a judgment of the Supreme court which was given restricting the territory which comes under the Crowsnest pass agreement to points on the Canadian Pacific line in existence in 1897. The Supreme court on a question submitted to them in connection with the rates question a few weeks ago, decided that that territory was restricted to the limits existing in 1897. In order to protect the western people in what we think are their rights, we are not only interfering with litigation, but wiping out a judgment of the

Supreme court given only a few weeks ago. By doing that, we are taking away from the railways the right to appeal to the Judicial Committee of the Privy Council, which appeal they were prepared to make had it not been for this legislation. We are interfering, not only with litigation, but with judgments, and that being the case, I submit that this committee, if this amendment is carried, would really be going back on the whole intent of this bill, which is to straighten out all these difficulties and make plain sailing for an equalization of rates. The question of the Manitoba agreement was brought before the Board of Railway Commissioners and it was decided against that province. An appeal which was made on a matter of law to the Supreme court, was decided against the province of Manitoba in that court. I think I speak advisedly when I say that there are very few legal men in the Dominion of Canada who have any idea that Manitoba can hope to succeed before the Judicial Committee of the Privy Council.

Mr. FORKE: Why take away the opportunity?

Mr. GRAHAM: Because this legislation is to take out of litigation this whole freight rate question and to place it on a basis where it can be handled by the Board of Railway Commissioners. As the object of the bill is to get rid of litigation and, further, to override a decision of the Supreme court, I am sure hon. gentlemen will not expect the government to accept an amendment which overrides the whole principle of the bill.

Sir HENRY DRAYTON: I would ask my hon. friend to reconsider that question, looking at it from this standpoint. I am familiar with the agreement. The matter came before me when I was on the Board of Railway Commissioners, and the application of the agreement was considered by that board. I did not give effect to it, and at that time I believe I gave leave to appeal to the Supreme court. I should like my hon. friend to consider the question in this way which seems to me to be the fair way. We are not parties to that agreement. I do not know that I insist anything we are doing in this legislation is going to change that agreement—

Mr. FORKE: I do not see it does.

Sir HENRY DRAYTON: —but I think the committee ought to consider carefully whether, in connection with a bill which, on its face, deals merely with difficulties arising under the Crowsnest pass agreement, we should take away any right which may exist to the province of Manitoba as a result of their own agreements. It might be that if the province got what it wanted, it would be like the boy that got hold of a bear, but the people of that province do not think so. They think they have a legal right. Our usual practice is not to interfere with rights subject to litigation. This litigation is actually going on, and I would submit to my hon. friend that the litigation might just as well go on and the usual rule be applied, that is that parliament, in its legislation, does not interfere with pending litigation.

Mr. GRAHAM: I do not see the matter in that way at all. This bill is a bold piece of legislation in order to get rid, not only of the Crowsnest pass agreement, but of a score of agreements of more or less importance. Now, we are asked to pick out one special agreement, which my hon. friend, as chairman of the Board of Railway Commissioners, has ruled against, and as regards which the Supreme court has upheld him in his judgment, and we are asked to suspend that because an appeal has been made to the judicial Committee of the Privy Council. If we do that, then I do not think we have any right to take away from the railways their right to appeal to the Judicial Committee of the Privy Council, and we are doing that definitely in this bill. Why not let us get the rate situation cleared away and not surround the Board of Railway Commissioners with any more restrictions than we can avoid? If we do what the hon. member suggests, the case can be dangled before the Judicial Committee of the Privy Council for two or three years, and equalization of railway rates in Canada cannot start until that litigation is over.

Mr. FORKE: Does the minister think it would not be worth fighting for, supposing the Privy Council decided in favour of Manitoba?

Mr. GRAHAM: I do not think so. I still maintain that if we do this we are making a great mistake; we are nullifying our whole action of the past three days in trying to get rid of a number of agreements—and we have a number of agreements on the Intercolonial, some of small importance, some of greater importance—in order to give the Board of Railway Commissioners a fair chance. It is not right to allow litigation in one case to go on and by legislation to prevent other litigants from appealing their case. I never dreamed for a moment that any person would take this stand. Otherwise, this legislation would have been framed altogether differently.

Amendment (Mr. Forke) negatived on division.

Section agreed to.

Bill reported.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved the third reading of Bill No. 181 to amend the Railway Act, 1919.

Motion agreed to on division, and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

BILL TO AUTHORIZE THE CONSTRUCTION OF SUNNYBRAE-GUYSBOROUGH BRANCH LINE

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved that the House go into committee on Bill No. 210, respecting the construction of a Canadian National railway line between Sunnybrae and Guysborough, in the province of Nova Scotia.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

On section 1—Power to construct and complete line described in schedule.

Mr. STEVENS: This bill has been before parliament on and off for about twenty years and I cannot think that the minister is serious in wanting to put it through.

Mr. GRAHAM: The resolution went through the House the other day and the bill was referred to the railway committee and unanimously reported.

Mr. STEVENS: Is this one of the bills which the minister expects to have crucified in the Senate? Honestly, I think we ought to stop this farce of sending a bill to the Senate for the express purpose of having it killed there. I have looked over this bill year after year and I must say that I am opposed to it; I regard it as unnecessary and as a mere added expense to the country. I do not think it should be accepted.

Section agreed to.

Bill reported.

Mr. SPEAKER: When shall the bill be read the third time?

Some hon. MEMBERS: Now.

Mr. GARDINER: Next sitting.

Some hon. MEMBERS: Carried.

Mr. SPEAKER: Mr. Graham moves, seconded by Mr. King (Kootenay), that the bill do now pass and that the title be as on the order paper. Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: Carried.

Mr. STEVENS: On division.

Mr. SPEAKER: I declare the motion carried on division.

Mr. GARDINER: There was a protest from this corner of the House, Mr. Speaker, to the bill being read at this time.

Mr. SPEAKER: If agreeable to the House, it shall be read at the next sitting. The consent must be unanimous.

Mr. LAPOINTE: Under the rules, Mr. Speaker, when there is no amendment I submit that the third reading may be asked for.

Mr. SPEAKER: There being no unanimous consent, I reverse my decision. Is it the pleasure of the House to adopt the motion?

Some hon. MEMBERS: Carried.

Motion agreed to, bill read the third time and passed.

SUPPLY

PUBLIC WORKS

The House in committee of Supply, Mr. Gordon in the chair.

Public works—Manitoba, $59,146.26.

Mr. CALDWELL: I see that in some of the items in this vote provision is made for local improvement taxes. What does this mean?

Hon. J. H. KING (Kootenay, Minister of Public Works): We pay local improvement taxes in connection with the paving of sidewalks and improvements of that character.

Sir HENRY DRAYTON: The minister might file with Hansard the usual information as to appropriations not required.

Mr. KING (Kootenay): I will get that information.

Item agreed to.

Experimental farms—replacements, repairs, improvements, etc., $150,000.

Mr. MACKENZIE KING: Mr. Chairman, I move that this item be reduced by $50,000.

Motion agreed to.

Mr. SPENCER: Why is the reduction made?

Mr. KING (Kootenay): There is really a clerical error in the item. We think $100,000 is sufficient for replacements and improvements. The $50,000 for new construction will reappear in the supplementaries.

Item agreed to.

London, England, Canadian office—maintenance, $33,000

Sir HENRY DRAYTON: With our new big building there do we want to spent any more on maintenance?

Mr. KING (Kootenay): This is for the caretaker service.

Sir HENRY DRAYTON: It is about the rental of the other place.

Item agreed to.

Military buildings—repairs, fittings, alterations and additions, $50,000.

Mr. SPENCER: How much of this vote was spent last year?

Mr. KING (Kootenay): We spent $34,821.95. The amounts vary from $131, or even less, up to $14,626.

Mr. SPENCER: Why does the minister think he will need $50,000 this year?

Mr. KING (Kootenay): We are requested by the Deputy Minister of National Defence, in a communication dated October 19, 1924, to provide for various items amounting to $71,000.

Item agreed to.

Military hospitals—repairs and improvements, $50,000.

Mr. GOOD: What is the explanation for the increase of $25,000?

Mr. KING (Kootenay): This is required for repairs and improvements to various military hospital buildings at Ste. Anne de Bellevue, Halifax, Toronto, London (Ont.), Winnipeg, Calgary, and Vancouver. These buildings are more or less of a temporary nature and are likely to require more repairs each year. I had the privilege of visiting the Christie street hospital in Toronto, and there is no doubt that extensive repairs are required to keep the buildings habitable.

Mr. GOOD: Will these hospital buildings need more and more repairs each year?

Mr. KING (Kootenay): They are not permanent buildings and their upkeep will be more or less expensive.

Mr. GOOD:: How long will these hospitals be needed?

Mr. KING (Kootenay): If I remember rightly, the minister (Mr. Beland) advised the House that the use of these hospitals would continue for a number of years yet.

Item agreed to.

Ottawa public buildings and grounds—water, $53,000.

Mr. CALDWELL: Why this increase of $8,000?

Mr. KING (Kootenay): The water is metred and we pay so much per thousand gallons. Each year there is an adjustment of the account. Last year we overran the appropriation.

Mr. CALDWELL: It looks as if we were increasing our payments to the city of Ottawa in all directions. I would think that with the advent of 4.4 there would not be so much water used in the public buildings.

Mr. KING (Kootenay): That is not allowed in the public service.

Mr. CALDWELL: Possibly 4.4 induces a greater thirst. Anyway, I think we are dealing pretty liberally with the city.

Item agreed to.

Elevator attendants, $72,000.

Mr. CALDWELL: How many elevator attendants have we, and how many of them are on full time?

Mr. KING (Kootenay): Sixty-nine.

Mr. CALDWELL: How many elevators do they operate, and does this item include the House of Commons elevator service?

Mr. KING (Kootenay): About thirty in all. This does not include the sessional service.

Mr. CALDWELL: How many hours a day do these attendants work?

Mr. KING (Kootenay): Eight hours.

Item agreed to.

Lighting, including roads and bridges, $82,000.

Mr. CALDWELL: Where is this lighting done? In what part of the city?

Mr. KING (Kootenay): All the buildings in Ottawa, the grounds and a certain number of the streets.

Mr. CALDWELL: Are your lights paid for on the meter system?

Mr. KING (Kootenay): Yes.

Mr. LEADER: Why are the lights on in the day time? We often come up here in the day time and find them on.

Mr. KING (Kootenay): For testing purposes.

Mr. GARDINER: For the lighting of what streets do we pay?

Mr. KING (Kootenay): For Wellington street, the bridges on Laurier avenue and Connaught place and Major Hill park.

Mr. COOTE: Is Wellington street the property of the government?

Mr. KING (Kootenay): Yes. From Connaught place down to the old Perley home is under the control of the government.

Mr. COOTE: I should like to suggest to the minister that he place some police on Wellington street so that it would not be so dangerous to cross there. I think it is the most dangerous street to cross in the city of Ottawa. I had the matter brought to my attention by different parties in the city, and from personal experience I would rather cross any other street in Ottawa than Wellington street. We have so many policemen around this building and the grounds here that surely we could have an officer placed on Wellington street in front of the parliament buildings to direct the traffic there and make it safe for people to cross the street without incurring the danger of being run down every time they cross.

Mr. KING (Kootenay): I am making inquiries now into the matter. I think the situation is due to the fact that cars are parked on both sides of the street. I think that next year we should make a regulation,—I have the matter in mind,—that during the session at least there should be no cars parked in front of the parliament buildings.

Mr. CALDWELL: I was just going to raise that question. I have gone out very often when there was just room to get between the cars. The driver of a car coming along the street will not see a person coming out of the grounds, and a person coming out of the grounds will not see the cars approaching. It is a very dangerous situation.

Mr. COOTE: Before the item carries I should like to say that I think we need more protection than has been suggested. I think we need a policeman there to regulate the speed at which these cars go by. There are no cross streets intersecting Wellington street in front of the parliament buildings, and lots of these cars go by at the rate of thirty miles an hour. They pay no respect to the centre line of the street, they take any side at all, and persons crossing Wellington street to get to the parliament buildings really endanger their own lives. I think this government could easily afford to place one of our mounted policemen on this street and if necessary stop these cars once in a while in order to enable people to cross in safety.

Mr. KING (Kootenay): I will be very glad to give consideration to what my hon. friend has said.

Mr. CALDWELL: Either that or have a few trenches dug across so that the cars would not be able to go so fast.

Mr. GARDINER: Is the government responsible for the paving of that part of the street also?

Mr. KING (Kootenay): Yes.

Item agreed to.

Heating, including salaries of engineers, firemen and watchmen, $380,000.

Mr. CALDWELL: This is for the heating of the government buildings in Ottawa I presume.

Mr. KING (Kootenay): Yes, and for the salaries of engineers, firemen and watchmen in Ottawa.

Mr. CALDWELL: Is the heating of the government buildings in Ottawa done from a central plant?

Mr. KING (Kootenay): No, not all.

Mr. CALDWELL: If not, has the government ever considered the advisability of heating all the government buildings from a central heating plant?

Mr. KING (Kootenay): I doubt if that would be economical considering where the buildings are located and the fact that some of them are across the canal. The heating plant we have serves this building, the east and west block, the Langevin block, the Post office, the Supreme court and the Census building.

Mr. SPEAKMAN: Does this item include the cost of the coal used?

Mr. KING (Kootenay): Yes.

Mr. SPEAKMAN: What class of coal is used? Is it the ordinary American coal?

Mr. KING (Kootenay): No, we are using Canadian coal, run of mine and slack.

Mr. COOTE: At what price per ton?

Mr. KING (Kootenay): It varies. This year the price is about $6.40 for slack.

Mr. COOTE: Is the coal purchased by tender?

Mr. KING (Kootenay): Yes, by tender.

Mr. GARDINER: Where did we get our supplies from this year?

Mr. KING (Kootenay): We have not made a contract as yet. Last year the coal was supplied from Minto Mines in New Brunswick.

Mr. GARDINER: What do we pay for run of mine coal?

Mr. KING (Kootenay): Seven dollars.

Mr. GARDINER: Is that laid down in Ottawa?

Mr. KING (Kootenay): Yes.

Item agreed to.

Departments generally—char service including $100 to E. Snowdon for firing noon gun, $385,000.

Mr. CALDWELL: Is this noon gun fired all the year round?

Mr. KING (Kootenay): Yes.

Mr. CALDWELL: On Sundays also?

Mr. KING (Kootenay): I think so.

Mr. GARDINER: What does it cost per charge of powder to fire the gun?

Mr. KING (Kootenay): I have not that information.

Mr. GARDINER: I should like to get it.

Mr. CALDWELL: Has this man, Snowdon, ever appealed to the government for a raise in pay?

Mr. KING (Kootenay): I have not heard of it.

Mr. CALDWELL: He is certainly very modest.

Item agreed to.

Repairs, improvements, additions and maintenance, $650,000.

Mr. COOTE: Would the minister give us some particulars as to how he intends to spend this amount? Is there anything included in it for the tower?

Mr. KING (Kootenay): This amount of $650,000 is required for the following purposes:

1. Carrying out works of repairs, alterations, additions and improvements, and procuring furniture, fittings and other supplies, in connection with the maintenance of Ottawa public buildings.

2. The removal of snow and ice from sidewalks and roads around the department blocks, parliament house and repairing and maintaining and cleaning during summer months, the pavements and sidewalks on "Wellington street and government area" to the north, the Plaza, Laurier avenue bridge, St. Patrick street in front of Printing Bureau, McKenzie avenue, sidewalks on Laurier avenue west and Elgin street fronting Cartier square, and all laneways, yards, and areas adjoining properties rented, or owned and occupied by the Dominion government.

3. Keeping the grounds surrounding the Dominion buildings in Ottawa in proper condition.

Mr. GARDINER: How much is there included in this vote for the purposes of the tower?

Mr. KING (Kootenay): This has no reference to the tower. The vote for the tower will be in the capital expenditure.

Mr. SPEAKMAN: How many buildings are now utilized by the government in this city?

Mr. KING (Kootenay): I will come to that very shortly, under "rents and repairs". At present I have not the details in front of me.

Item agreed to.

Telephone service, $95,000.

Mr. KENNEDY (Glengarry and Stormont): What is the reason for the increase here?

Mr. KING (Kootenay): This amount is required for the payment in the fiscal year 1925-26 of the rental of the Bell Telephone Company's connections throughout the several departments of the government in the city of Ottawa. The increase of $2,000 is due to the following: An increase of 74 in the number of telephones at a cost of $1,894.20; and, an increase in the cost of P.B.X. equipment, $262.68, making a total of $2,000.

Mr. KENNEDY (Glengarry): We had a discussion of this last year or the year before, and I understood that on account of the introduction of a new block system there was going to be quite an economy effected. Has there been any saving?

Mr. KING (Kootenay): Yes, these phones would have cost us more if we had not put in that equipment.

Mr. KENNEDY (Glengarry): What was it costing us two years ago?

Mr. KING (Kootenay): We had not the same number of phones two years ago. This has caused an increased expenditure.

Mr. CALDWELL: Was that the improvement that has been effected?

Mr. GARDINER: On what basis do we pay for this telephone service, so much per phone?

Mr. KING (Kootenay): Yes. Under the old arrangement it would have cost us $55 per phone per year, and under the P.B.X system is costs us $15 per phone per year.

Item agreed to.

Dominion immigration buildings—repairs, improvements, additions, furniture, etc., $25,000.

Mr. KELLNER: How does the minister get that vote in for immigration buildings? We have already passed an item for repairs for nearly every place that has an immigration shed or building.

Mr. KING (Kootenay): We have immigration buildings all over the Dominion, and this is for their maintenance and repair. We had an item a few moments ago with respect to the immigration building in Winnipeg. That was an unknown quantity, and the architect placed that amount in the estimates to be voted directly by parliament. The present vote is like our harbours and rivers vote. It is a general vote to take care of any repairs that may be required during the year.

Item agreed to.

Fittings, general supplies and furniture, $125,000.

Mr. CALDWELL: There is an increase of $25,000 here. Why is that?

Mr. KING (Kootenay): This appropriation is $25,000 more than for 1924-1925 because it was found that the amount of $100,000 was insufficient to meet the demands. This appropriation was exhausted at the end of December, 1924, with the result that the requirements for the last three months have been unprovided for. In 1914-15, $160,000 was voted under this item, and $90,000 expended. The amount runs from that up to as high as $145,000 per year.

Mr. GARDINER: What system is used in buying these supplies? Is it by contract?

Mr. KING (Kootenay): Yes, by tender.

Mr. KENNEDY (Glengarry): What has happened to the Purchasing Commission that used to buy all the supplies for the government?

Mr. KING (Kootenay): The Department of Public Works have a staff who do their purchasing. There is a secretary of the commission who reports to council through the responsible minister, and keeps track of these purchases.

Mr. KENNEDY (Glengarry): It is done through the department only?

Mr. KING (Kootenay): Yes.

[Mr. Gardiner.]

Mr. CALDWELL: Is any departmental furniture made in the penitentiaries?

Mr. KING (Kootenay): I think we have bought some tables and chairs and brooms from the penitentiaries.

Mr. CALDWELL: Does not the government think it would be a good plan to have all the furniture for the departments made in the penitentiaries?

Mr. KING (Kootenay): I think that question has been under consideration.

Mr. CALDWELL: I think it has been suggested from time immemorial that the inmates of the penitentiaries should be given more work, that they should be self-sustaining, that that would help towards defraying the big expenditure on account of the penitentiaries. I think sufficient work should be given to enable the inmates to be kept busy. Furniture making is an occupation that a man can learn pretty quickly. It is not very technical, and I think the government would be well advised to have all the furniture for all the departments made in the penitentiaries.

Mr. KING (Kootenay): The Penitentiaries branch have an agent who is in and out of the departments all the time, and we do buy a certain amount from the penitentiaries, but not exclusively from them.

Mr. CALDWELL: The penitentiaries make furniture, and why do not the departments get all their furniture supplies from them?

Mr. KING (Kootenay): That is an old question. It has been discussed many times, but there are difficulties in the way.

Mr. POWER: Why don't they grow potatoes and wheat to?

Mr. CALDWELL: There is nothing to prevent them growing potatoes, although I might say that the more potatoes they grew within the last year or two, the further they would be in debt. I would rather see them working at something there was money in.

Mr. STEWART (Argenteuil): We are buying more than we used to from the penitentiaries.

Mr. CALDWELL: I am convinced that it is through pressure from firms who are manufacturing furniture that the government do not buy more furniture from the penitentiaries.

Mr. KING (Kootenay): There are some styles of furniture they can make in the peni-

tentiaries, but generally speaking they could not fill many of the requirements of the government.

Mr. CALDWELL: What percentage of the government's furniture is manufactured in the penitentiaries?

Mr. KING (Kootenay): I have not that information, but I know there has been a tendency in recent years to give more of this work to the penitentiaries.

Mr. BROWN: I think the policy should be pursued of making all these institutions as nearly self-supporting as possible. The hon. gentleman across the way asked, why do these institutions not grow potatoes and wheat. I can only say they do.

Mr. POWER: For themselves.

Mr. BROWN: Not only for themselves. The asylum at Brandon I know has a very expert hog raiser in charge, and he takes car after car of hogs and sells them on the Winnipeg market in competition with the farmers' hogs. I am not objecting to that. Nobody is complaining about it, but when the question is put up to us, why don't they grow potatoes and wheat, I simply say they do. These institutions should all grow as much as possible of the vegetables and the food that they need. I think it is only a matter of sound public policy that that should be done. These institutions are necessary for taking care of various classes in the community, some who are insane, some who are morally derelict and have to be taken under the law, and this is a burden which the country necessarily has to bear, but the support of these institutions should not be made an occasion for furnishing other people with the opportunity to sell their supplies. I think these institutions as much as possible might be used not only to provide for themselves but to provide for the needs of the government. I know there are objections, but personally I have none to allowing the output of these institutions to be put on the market under fair competition, not cut-throat competition, with the products of free labour. There is no reason why, because men have had to be taken care of by the state they should be deprived of the opportunity of earning something—

Mr. POWER: How could my hon. friend establish fair competition in the matter of wages?

Mr. BROWN: By selling at even prices with the products of free labour. I think we can pursue much further than we have done the policy of making all these institutions self-supporting.

Mr. CALDWELL: The fact that the institution called the penitentiary is making supplies for the government is not on a par with a case where an institution is manufacturing for sale in the open market. This is simply one department under government control. It is one of the government institutions and I do not see any good reason why the manufacturer of any article should object to the government having one department under their care manufacturing goods which they need in some of their departments. That is not manufacturing articles to be placed in the open market in competition with the products of other manufacturers. If the goods were to be placed in the open market some objection might legitimately be made. I do not think they have a strong case—in fact I do not think they have any case at all—when they object to the penitentiaries manufacturing anything they can produce for the government's own use. That is common sense, sound policy and fair and right to everybody. I do not think it is fair to the taxpayers to make them pay taxes to maintain an institution that can maintain itself by manufacturing goods needed in some other department of the government.

Item agreed to.

Heating, $420,000.

Mr. COOTE: Does this cover the heating for all Dominion public buildings?

Mr. KING (Kootenay): Yes, outside of Ottawa.

Mr. COOTE: Could the minister explain this item to us? I have been looking at the next item, which is heating. The bill for lighting seems to be very excessive.

Mr. KING (Kootenay): I think not. This amount is required for the purchase of fuel. It costs more to heat a home or a house than to light it, and I think this is probably just about right. Our coal supplies are bought carefully by tender, and I think the charges are reasonable.

Mr. COOTE: Coal is all bought by tender?

Mr. KING (Kootenay): Yes.

Mr. CALDWELL: If I had any criticism to offer to the lighting bill, I would say that it was excessive as compared with the cost of heating. I should not imagine it would cost fifty per cent as much to light the

building as to heat it, especially in the cold weather, where you have to heat your buildings all day. In the summer you require very little light, especially when we have daylight saving. We do not need nearly so much light now as in the winter. That is probably one of the excuses in favour of daylight saving.

Mr. KING (Kootenay): This is in addition to electric current. Lighting would also cover the cost of lamps used throughout the service.

Mr. CALDWELL: I suppose the heating covers cost of repairs to furnaces and so on.

Mr. KING (Kootenay): No.

Mr. CALDWELL: Does it include janitors?

Mr. KING (Kootenay): No, not the janitors.

Mr. CALDWELL: What does it include besides coal?

Mr. KING (Kootenay): There were 36,500 tons of coal required and purchased. Wood is also required for various buildings. Then we have the removal of ashes, the supply of heating gas, steam heating and fuel oil.

Mr. CALDWELL: Does it include the firemen?

Mr. KING (Kootenay): No, it is for the purchase of fuel of various kinds and the removal of ashes.

Mr. CALDWELL: Under what head do the firemen of buildings come?

Mr. KING (Kootenay): Next item, salaries of caretakers, engineers, firemen and so on.

Mr. CALDWELL: This item would indicate that it included all the cost of heating. Evidently this does not. This should be called cost of fuel, instead of heating.

Mr. KING (Kootenay): Yes, fuel or heating.

Item agreed to.

Light, $207,000.

Mr. COOTE: This is the item I was drawing the minister's attention to. It seems to me this amount is excessive compared to the cost of heating the buildings. Take the buildings in Ottawa; the lighting is less than one-fourth of the amount of the heating. Possibly the minister has some explanation of the high cost of lighting.

Mr. KING (Kootenay): This is to provide for the lighting of public buildings throughout the Dominion which are under the control of the Dominion government exclusive of those in the city of Ottawa. Besides paying for the lighting of these buildings, this vote provides for the purchase of lamps, and so forth, that may be required in the various buildings, inclusive of all buildings occupied by the Department of National Defence with the exception of military barracks occupied by soldiers.

This estimate of lighting requirements for 1925-26 shows an increase of $7,000 over the appropriation voted for the year 1924-25. Lighting accounts amounting to $4,901 accrued during the year 1923-24 had to be paid out of the appropriation for the year 1924-25 as the amount voted for 1923-24 was not sufficient. These accounts were paid out of the appropriation for 1924-25 not through their being received too late last year, but on account of the appropriation becoming exhausted prior to March 31, 1924, they had to be held over.

Mr. COOTE: How many buildings are there?

Mr. KING (Kootenay): There are four hundred and sixty-three.

Mr. GARDINER: Are they all outside of Ottawa?

Mr. KING (Kootenay): Yes.

Mr. COOTE: It must cost $700 on an average for each building.

Mr. KING (Kootenay): The cost varies very much.

Mr. COOTE: It seems to me a very excessive charge for lighting.

Mr. FORKE: The trouble with a lot of public buildings is that they require to have light night and day. The Brandon asylum is a magnificent building in many respects. At one time an expert came over from the United States to inspect the buildings up there, and he found this building was quite adequate in every way, except in regard to lighting. He said the building should not have required as much electric lighting as it was found necessary to consume there. In a great many corridors they burn the light twenty-four hours a day.

Mr. KING (Kootenay): That is true in most of the city buildings.

Mr. FORKE: I am no architect, but it seems to me the great weakness in many public buildings is that they are not adequately lighted from the outside.

Mr. COOTE: I would suggest that in many cases they pull up the blinds and let in the light.

Mr. BOYS: Is the light supplied by meter?

Mr. KING (Kootenay): Yes.

Mr. BOYS: Is there anyone who supervises the buildings and sees that the lights are turned out in the day time?

Mr. KING (Kootenay): Oh yes.

Mr. BOYS: I have seen the lights burning in the parliament buildings all day.

Mr. KING (Kootenay): Not all day.

Mr. BOYS: For very many hours in the morning, in broad daylight, the lights are burning. Of course the minister is not to blame for that.

Mr. KING (Kootenay): I noticed it the other morning myself. The same complaint was brought to my attention early in the session, but they tell me that at certain times of the day the electrician, in charge of what they call the white way makes his test, turns on the lights and goes over the circuit. They do the same thing in other places.

Mr. BOYS: My apartment is right in front of the buildings and I observe the situation with great regularity. It is a common thing for all these lights to blaze away in broad daylight. Whoever has the supervision of this matter should exercise more care, particularly when we are paying for lights by meter. There are hundreds of lights which there is no occasion to burn.

Mr. KING (Kootenay): The matter has recently been brought to the attention of the department.

Mr. LEADER: I have inquired why the lights were burning in the day time. I have noticed them lighted in the morning. They were burning at three o'clock this afternoon.

Item agreed to.

Power for running elevators, stamp cancelling machines et cetera, $80,000.

Mr. COOTE: What is the reason for the increase in this item?

Mr. KING (Kootenay): The increase of $4,000 in this appropriation is due to provision having to be made in 1925-26 for the following buildings which previously had not to be provided for:

Montreal post office, station "G", (Lavut building).
Grain inspector's office, Montreal.
Hamilton post office, station "C".
Winnipeg post office, station "A".
Calgary Southam building.
Ottawa new workshop building.
Kentville, N.S., experimental farm.
Fredericton, N.B., experimental farm.
Lennoxville, Quebec, experimental farm.
Swift Current, Sask., experimental farm.
Lacombe Alberta, experimental farm.
Sydney B.C., experimental farm.

Mr. COOTE: Is there not some overlapping here between the Department of Agriculture and the Department of Public Works, if the latter department has to supply power on these farms?

Mr. KING (Kootenay): We have charge of their buildings in that regard. There is no overlapping.

Mr. COOTE: Would this item be for power supplied by municipalities to the farms?

Mr. KING (Kootenay): We would make the contracts for the power.

Mr. COOTE: The bills would be paid through the Department of Public Works.

Mr. KING (Kootenay): From this vote.

Mr. COOTE: They would not appear then in the vote for experimental farms.

Mr. KING (Kootenay): No.

Item agreed to.

Rents, $1,410,000.

Mr. BOYS: This is a very large item, and I think we ought to have some explanation When is the day going to arrive when we shall use the lands that have been purchased along the river front and get rid of all these rented buildings? Would the minister give us a list of the buildings and the rentals paid for each in the city of Ottawa, that is those the rent of which exceeds $20,000 a year?

Mr. KING (Kootenay): They are as follows:

Post Office and Interior, Union Bank building	66,000
Transportation building	42,000
Jackson building, Immigration	32,000
Customs and Health, Elgin annex	31,000
Canadian Woods building	97,000
Labelle building	24,000
Norlite Building, Interior department	30,000
Central Station, Railway Commission	21,356

Those are all the larger items over $20,000.

Mr. COOTE: Would the minister give us a little information regarding the property which the government owns on Wellington street, how far it extends and the depth of the property?

Mr. KING (Kootenay): West of the West block, the property extends on the north side of the street down to the end of what is known as the Perley house, that is practically the turn, and then north to the river, about four blocks.

Mr. COOTE: Has the government any intention of putting up some buildings on that property this year for the government service?

Mr. KING (Kootenay): The department have in the office plans prepared and the lay-out developed. It is a question when it will be advisable to come to parliament and ask for money. Prior to the present time the government have not felt they would be justified in undertaking a large building project.

Mr. COOTE: Approximately what amount would be involved to put up the buildings?

Mr. KING (Kootenay): About $15,000,000. That is to develop what they have in mind. That would mean six or seven departmental buildings. That is the project that is proposed. It is not proposed just now.

Mr. FORKE: Does the minister not think $1,410,000 of rental would go a long way towards covering the capitalization?

Mr. KING (Kootenay): There is the capital investment and the maintenance. As a matter of fact, I do not think any money would be saved in that way. It will cost you more to own your own buildings.

Mr. FORKE: These rented buildings are heated?

Mr. KING (Kootenay): Yes. That varies. Some of them we heat. It depends on the contract we make.

Mr. BANCROFT: I hope the minister will have the Hudson Bay railway finished before he commences erecting those buildings.

Mr. KENNEDY (Glengarry): How are the rents calculated?

Mr. KING (Kootenay): On the floor space. The rentals vary here from forty cents to $1.05 a square foot.

Mr. KENNEDY (Glengarry): Do they vary according to the party from whom the property is rented?

Mr. KING (Kootenay): No. According to location, use and character of the building.

Mr. BOYS: The minister has mentioned a complete programme of providing buildings for several departments on the river front involving an expenditure of some $15,000,000. The rental paid now is about five per cent on $30,000,000. If that be so, I do not quite see why the minister thinks it is proper economy to continue renting. It would seem to me to be economy to use the land we have in that way. Are these long-term leases?

Mr. KING (Kootenay): No.

[Mr. Coote.]

Mr. BOYS: Have the leases a clause by which they may be terminated in case the government desired to use the water front?

Mr. KING (Kootenay): There are no very long-term leases. They vary from one, three to five years.

Mr. BOYS: Without any right to terminate before that?

Mr. KING (Kootenay): No.

Mr. BOYS: Would it not be wise, in connection with leases that are being put through, to have a clause enabling the government to terminate them in case the government wanted to carry out this project?

Mr. KING (Kootenay): There would be no great difficulty in that regard. If the government decided on a building project, it would take from two to three years probably to carry it out, and during that time the leases could be so arranged that they would fall due about the time the building was completed. The leases are not for long terms, and they are falling due at irregular intervals.

Mr. MEIGHEN: How is it that with rents going down in the city and very considerable areas in office buildings vacant, the rent the government is paying is going up?

Mr. KING (Kootenay): I do not think it is going up. Generally speaking, there has been a reduction in rentals.

Mr. MEIGHEN: Where is he reducing them?

Mr. KING (Kootenay): This vote shows a reduction of $40,000.

Mr. MEIGHEN: That may be because there are departments that are closing up. Will the minister mention one block of considerable size in Ottawa where the rents are reduced?

Mr. KING (Kootenay): Rents are very low in Ottawa. There have been no increases that I know of.

Mr. MEIGHEN: The minister was not here when we were attacked fore and aft for paying too high rents; but this government has increased them while rents generally have been diminishing.

Mr. KING (Kootenay): Where did we increase them?

Mr. MEIGHEN: In the city; I have in mind a block which I need not mention.

Mr. KING (Kootenay): I do not know of any increases.

Mr. MEIGHEN: I have been so advised, and I think the minister will find that it is a fact.

Mr. KING (Kootenay): Our rentals in Ottawa are low in comparison with those of other places.

Mr. MEIGHEN: And they were low before; but they have been raised in one or two instances while in no case have they been reduced.

Mr. CALDWELL: Is this just for buildings in Ottawa or does it include buildings throughout the country?

Mr. KING (Kootenay): Throughout the country.

Mr. MEIGHEN: The minister might make a statement as to where certain valuable paintings are now housed, and how they are being taken care of. I refer particularly to those very precious records of the war in the way of paintings which have been donated to this country. What arrangement has been made as respects these, and how does the government propose to place them for the admiration of the Canadian people, as they should be placed?

Mr. KING (Kootenay): The paintings referred to are being cared for at the National Museum. It is hoped that some day we shall have a suitable building in which to display them, but so far the government has not thought it advisable to construct a building especially for that purpose.

Mr. MEIGHEN: I do not think anything should be done in the matter of placing them except with the approval of the donor. It has occurred however to me that possibly some of them might properly hang for a time in this magnificent building itself. It seems most unfortunate that they are not being enjoyed by the public of Canada as they should be. Has the minister considered the possibility of so displaying them that the publice may derive the fullest benefit from them?

Mr. KING (Kootenay): There are many places in this building where the paintings might be hung to advantage. I shall look into this matter.

Mr. MEIGHEN: I am thankful for the way in which the minister has received the suggestion. In this connection I desire to make a brief statement as to the history of these paintings. I do not think that the fact is as well appreciated as it should be that these paintings now in the possession of this Dominion are due first of all to the resourceful initiative, the intense ardour for this country, and the generosity of Lord Beaverbrook. Lord Beaverbrook, as we all know, is a Canadian not only by birth but in heart as well; and though I cannot claim any friendship or, indeed, any intimacy with him whatever, I do feel that we owe him a great debt of gratitude for the thoughtfulness he displayed in preserving the records of the war in various forms to be the property and the pride of this Dominion for years to come.

The conflict had not much more than started when he conceived the idea of seeing that an adequate record was kept of the activities and the achievements of the Canadian forces in the field; and with characteristic initiative he set about to make himself responsible that this should be done. The eye-witness service owed its origin to him solely, and that service, distinct as it was from the rather dry and formal official records, is today the material, very complete, vivid and reliable, from which the history of the war is being written so far as Canada is concerned. The initial organization was expanded until it embraced all the Canadian units, and it certainly is not too much to say that no army in the field of all the allied armies was so served in this respect as was Canada.

But what I rose to mention chiefly was the gift of these paintings. They are considered the best of any of the paintings of the war and I understand that they are of a value approximating one million dollars, and possibly much more than that. Undoubtedly in the future they will be of far greater value. The idea and the execution of it are solely Lord Beaverbrook's. From beginning to end it was simply a work for Canada, and I regret exceedingly that in our time as in the time since its value has not been adequately recognized, nor have the pictures themselves been so placed and used as to give the Canadian people the results which Lord Beaverbrook had a right to expect they would receive. I know that owing to their character there must be a building suited for their display, and I earnestly trust that we shall be in a position soon to provide that building for the practical purposes of demonstration to show to the people of Canada the records of the war in this particular form. I attribute some laxity in this respect to the late government. I sincerely hope, however, that in this regard the present administration will far excel what we did in relation to these pictures. I make reference to the subject only because I believe that the Canadian people should not lose sight of the real service that was rendered this country by one of her sons, and that he

will always feel that that service has been appreciated as it should be by us all.

Item agreed to.

Yukon public buildings—rents, repairs, fuel, light, water service and caretakers' salaries, $35,000.

Mr. KELLNER: What buildings do these rents cover? From the size of the item one would fancy that there was a good deal of governmental ownership in the Yukon. I think the population is now between seven and eight hundred.

Mr. KING (Kootenay): This is for carrying out improvements in connection with public buildings erected in the Yukon territory, also to provide for fuel, lighting and water during the fiscal year 1925-26. These are the requirements:

Dawson—Administration building—maintenance	$18,861
Dawson—Post Office—maintenance..	836
Dawson—Government House—maintenance.. ..	736
Dawson—Warehouse and carpenter shop maintenance..	75
Dawson—Indian agent's office—maintenance..	300
Mayo—Mining recorder's office—maintenance.	1,000
Mayo—Post office—maintenance..	1,000
Mayo—Salaries of agent and accountant.. ..	600
Whitehorse and Carcross—post office..	2,815
Dawson—administration building—repairs to foundation..	7,700
Contingencies..	1,077
Total..	$35,000

Item agreed to.

Telegraph and telephone lines—land and cable telegraph lines, lower St. Lawrence and Maritime provinces, including working expenses of vessels required for cable service, $218,000.

Mr. COOTE: What is this item for?

Mr. KING (Kootenay): It is required for the fiscal year ending March 31 for the working expenses of the land and cable telegraph lines on the seacoast and islands of the lower river, the gulf of St. Lawrence and the Maritime provinces, including the working expenses of vessels required for cable service.

Mr. CALDWELL: How does the revenue compare with the expenditure for cable services?

Mr. KING (Kootenay): Not very favourably. These services are in the outlying districts of the St. Lawrence and in parts of Cape Breton and on some islands in the gulf where the population is very small.

Mr. CALDWELL: What is the amount of the revenue?

Mr. KING (Kootenay): The total revenue for the telegraph service in 1920-21 was $330,000; in 1924-25, $293,924.

[Mr. Meighen.]

Mr. GARDINER: Is that for the whole Dominion?

Mr. KING (Kootenay): Yes.

Mr. GARDINER: What is the income in regard to this particular item?

Mr. KING (Kootenay): I am sorry I have not that segregated. I will see that my hon. friend gets the information.

Mr. CALDWELL: Does the government maintain telephone services throughout any sections of the Maritime provinces?

Mr. KING (Kootenay): Yes, more particularly in Cape Breton.

Mr. CALDWELL: In the section of New Brunswick where I live we had to form a farmers' telephone company and supply our own line. Later the larger company crowded us out and we had practically to give our line to them. Evidently we are behind the times in our section, or we would have applied to the government for assistance.

Item agreed to.

Saskatchewan, $45,000.

Mr. STEWART (Humboldt): There has been a good deal of complaint about the slowness in removing from cultivated land the unused poles of the old telegraph line from Qu'Appelle to Edmonton. How is the work of dismantling progressing?

Mr. KING (Kootenay): As a rule it would cost probably more to take the poles down than their salvage value.

Mr. FORKE: Can the farmers get them for firewood?

Mr. KING (Kootenay): Yes.

Item agreed to.

Alberta, $100,000.

Mr. FORKE: What is this item for?

Mr. KING (Kootenay): For the working expenses of telephone and telegraph lines in Alberta during 1925-26. The lines in Alberta consist of 1158½ miles of land line, having forty-three offices, of which twenty-one are on salary basis and twenty-two on commission basis. These lines are: Edmonton-Hudson's Hope line, 774 miles; Onion lake Elk point line 61½ miles; Athabaska-Fort McMurray line, 323 miles.

Mr. FORKE: Is the money required for deficits or capital expenditure?

Mr. KING (Kootenay): For line men, operators' salaries and repairs generally.

Mr. BROWN: These services generally speaking are not profitable?

Mr. KING (Kootenay): No.

Mr. CALDWELL: How did the government come to establish telephone systems in some of the provinces?

Mr. KING (Kootenay): You have the history of the Dawson line with the opening up of the Yukon territory. In Cape Breton for many years there has been a service in the sparsely settled districts.

Mr. CALDWELL: I can understand the establishment of a line in the Yukon, but not in the settled provinces. When I came here first and began to scan these estimates it was news to me to find this state of affairs. Is there some way of passing these lines over to the local authorities?

Mr. STEWART (Argenteuil): They have been passed over for the most part, but in the case of Alberta the lines are in the northern sections.

Mr. KELLNER: Is any portion of it in the Northwest Territories anyway?

Mr. STEWART (Argenteuil): Yes.

Mr. GARLAND (Bow River): Has the government ever considered the possibility of supplying the needs here by radio? There is a sparse population scattered over a wide area, and it has just occurred to me that an extension of the radio service by the department would do away with the necessity for these expensive lines.

Mr. KING (Kootenay): My hon. friend will understand that radio will give you a service between two points, but you would get no local service through Hudson's Hope. All through this country the settlements are small, and you could not maintain a series of radio stations through these communities to give such a service. That would be out of the question. Nevertheless in the northern sections of Alberta and Saskatchewan the government are charged with the administration, and some means of communication is needed in there so that we may know what is going on in the country.

Mr. COOTE: What is the farthest point north to which this telegraph line goes?

Mr. KING (Kootenay): I think the line farthest north is that from Athabaska to Fort McMurray.

Mr. COOTE: I think the minister mentioned Hudson's Hope. Does the line run there?

Mr. KING (Kootenay): Yes, from Edmonton.

Mr. COOTE: Where is Hudson's Hope situated?

Mr. KING (Kootenay): In British Columbia just over the border, I think.

Mr. McTAGGART: The government attempted to establish a radio station at Herschell island a year or two ago. Has that experiment been a success?

Mr. STEWART (Argenteuil): That vote is not under the Department of Public Works, it comes through the Department of the Interior. The construction is done and the operation is carried on by the Department of National Defence. The equipment was shipped from the coast last year, I think from Victoria or Vancouver upon the Hudson's Bay steamer which was lost. This year the supplies are going down the Mackenzie river and the post, in all possibility, will be established before the year closes.

Mr. CALDWELL: I am rather interested in this vote although it is not in my own province. I do not want to seem to be opposing it at all, but I am asking for information because of the conditions in New Brunswick. There if a subscriber lives more than ten miles from a telephone central he pays one dollar per mile extra for every mile over ten, so that it can be seen what an item it amounts to when that distance is exceeded to any extent. The minister need not be surprised if I come to him next year and ask for a grant to enable the people who live at a long distance from telephone centres to obtain telephone communication with the outside world, because the absence of these facilities has tended to discourage colonization. We have whole settlements which have been abandoned. As I said if the settler lives more than ten miles from a telephone central he pays one dollar per mile extra for every mile over ten, and in case he needs medical attendance he pays one dollar per mile for doctor's travel.

Mr. POWER: In Quebec we built the line ourselves.

Mr. CALDWELL: We do that in New Brunswick where there are enough in a community. I have helped to build two telephone lines, we got these services by putting our money and energy into the building of them.

Mr. BLACK (Yukon): I should like to call the minister's attention to the fact that this item of $244,500 for the Yukon system

—Ashcroft-Dawson—is a misnomer. Not over $40,000 has anything to do with the Yukon. Formerly it had because the land line of British Columbia was used to connect up with the Yukon. Now that has been disconnected and all telegraphic communication with the Yukon is by wireless. It connects with the wireless station at Dawson and the local line within the territory is used. The annual upkeep of that line is not over $40,000 so this $200,000 should be under the British Columbia system. There is no reason why it should be called "Yukon system" at all.

Mr. KING (Kootenay): I believe the system has been known as the Ashcroft-Dawson line for many years and under this title the money has been voted by parliament. If there is a misnomer, I do not think it is serious. It is well understood by all where the line goes and what it means. The line was built to serve that section of the country, it has been carried in the estimates in that form, and I cannot see that there is any objection to it.

Mr. BLACK (Yukon): I should like to make it clear to the minister that I am not objecting to the vote. What I am objecting to is the name. I admit that the expense of administering the government of the Yukon in proportion to the population is very large and the items that have necessarily to be spent for that purpose are very large also; but where we see an item of $200,000 charged to the Yukon system which has really nothing to do with the Yukon, it seems necessary to call attention to it. The minister says it is well understood that it does not mean "Yukon" but I venture to say that no one in the House except himself, myself, and the deputy minister understands that. I am sure the general public do not know anything about it. They are only concerned with the idea that it costs such a very large amount of money to administer the Yukon.

Item agreed to.

Grant to the Burrard Inlet Tunnel and Bridge Company towards construction of bridge over the second narrows of Burrard inlet, B.C. being revote of portion of subsidy authorized by statute, chap. 46, sec. 3, 1913. Revote—$100,000—$270,000.

Mr. COOTE: Would the minister explain why he is going to contribute to the cost of this bridge and give us some information about the proposed expenditure?

Mr. KING (Kootenay): This is for the construction of a bridge across the second narrows of Burrard inlet. In 1913, I think, parliament made a grant, under the Railway Act, of some $350,000 to a private enterprise to assist in the construction of this bridge. That project did not succeed. Later on the municipalities of Vancouver city, North Vancouver city, and the district of North Vancouver and West Vancouver organized themselves into what is known as the Burrard National Tunnel and Bridge Company and have subscribed to this undertaking. They properly, I think, came to the Dominion government and asked if we would assist in the construction of this bridge. We at that time, in 1922, voted $100,000. That vote was repeated in 1924. The province of British Columbia also contributed $120,000 to this undertaking. So it is a municipal, provincial and Dominion government undertaking. When I was west last summer, I was met by a large delegation of men using the channel for the towing of logs and the running of their boats in various lines of trade, and they complained of the fact that a cheap kind of bridge was being built, that it was obstructing the natural outlet through the narrows and would cause adverse currents to navigation. The matter seemed to be of a more or less serious nature, and as the undertaking was one in which the smaller municipalities were involved to the extent of their credit, I thought it wise that the matter should be cleared up rather than have the undertaking gone on with and cause probably some damage to the passage way that we require at certain sections of the bridge, and thus lead to a difficult situation. I had a board of engineers go into the whole matter, and they reported that to relieve and improve conditions there should be a further expenditure of $170,000, which would provide for the adding of two spans, 150 feet, north of pier No. 1; to raise the existing piers five feet and approaches, $78,000; dredging, $88,000; and diversion at Seymour creek $33,000. These matters were all taken into consideration and I asked council that we place in the estimates this year $270,000 for this undertaking. The bridge is an important one. It will give the Canadian National and the Canadian Pacific access to the north shore of Burrard inlet, and will permit of industrial and other development on that shore, giving them the advantage of railway traffic. It will also accommodate pedestrian and vehicular traffic in and out of Vancouver and on to the north shore. The bridge is an important one, as I have already said, and has been endorsed by this parliament to the extent of a grant of $100,000, and by previous parliaments to the extent of $350,000, when it was a private undertaking.

Mr. STEVENS: This item of $270,000 is really a revote of the subsidy that was passed some years ago?

Mr. KING (Kootenay): Yes.

Mr. LEWIS: What is the cost of the bridge?

Mr. KING (Kootenay): I think the cost of the bridge is $1,820,000.

Mr. LEWIS: What part of that amount is the Dominion government liable for?

Mr. KING (Kootenay): We will have $270,000 in the structure if this vote is passed.

Mr. COOTE: Has any money been paid to the company before this?

Mr. KING (Kootenay): No, we have not paid anything.

Mr. COOTE: Just on what principle is the Dominion government called upon to contribute to this bridge? Is it not a municipal affair?

Mr. KING (Kootenay): It is more than a municipal affair. It is of great interest to the Canadian National Railway, and is of interest to the harbour commission in Vancouver. It will give them a larger area and better terminals than they now have.

Mr. COOTE: What other bridges in Canada do we contribute to the building of?

Mr. KING (Kootenay): We contribute to all the bridges over canals, and to interprovincial bridges in the provinces.

Mr. CALDWELL: To interprovincial bridges?

Mr. KING (Kootenay): Yes, to the two bridges across the Ottawa river, for instance, and other bridges in Ontario and Quebec and other provinces. We also contribute to international bridges. For instance, the international bridges in New Brunswick, between Edmundston and Van Buren, which was constructed by the state of Maine and the federal government.

Mr. COOTE: But this is neither an interprovincial nor an international bridge, and I was trying to find out why the Dominion government should be putting $270,000 into it.

Mr. KING (Kootenay): The first commitment was made under the Railway Act as a railway proposition. The bridge company now are providing for a railway service, and will make it possible for the Canadian National—and this is our direct interest—and other railways entering Vancouver to have access to the north shore.

Mr. GARDINER: Are the railway companies contributing to the cost of construction?

Mr. KING (Kootenay): No.

Mr. GARDINER: Yet they are going to have the use of it. Will they pay any tolls?

Mr. KING (Kootenay): Yes, there will be a rental charge.

Mr. GARDINER: Who will be the ultimate owners of this bridge, the municipalities or the Dominion government?

Mr. KING (Kootenay): The municipalities.

Mr. COOTE: We will have nothing to say about it?

Mr. KING (Kootenay): No.

Mr. COOTE: Will the tolls collected on this bridge be sufficient to take care of its maintenance?

Mr. KING (Kootenay): It is difficult to say. There will be a very considerable sum of money collected in tolls. There is a tremendous traffic, motor traffic particularly, to the north shore especially in the summer season. It leads up into a section that is very popular, and I have no doubt the tolls will amount to a very considerable sum. The bridge company are of the opinion that the tolls will take care not only of the maintenance, but will assist in wiping out the principal expenditure.

12 m.

Mr. KELLNER: What obligation is the government of the day committed to under that clause in the Railway Act which the minister mentioned a moment ago?

Mr. KING (Kootenay): The commitment was made by parliament under the Railway Act. It was decided to subsidize a bridge of this character under railway charter. The railway was known as the Westminster-Yukon railway, and the subsidy granted at that time was $350,000.

Mr. GARLAND (Bow River): I want to get this clearly if I can. The federal government undertakes to contribute to the construction of that bridge a certain amount. When the construction is completed the bridge is then turned over to the municipalities. The municipalities will then have the right to assess the tolls. Is that correct?

Mr. KING (Kootenay): Yes.

Mr. GARLAND (Bow River): But no revenue from those tolls will come back to the Dominion government?

Mr. KING (Kootenay): No.

Mr. GARLAND (Bow River): Then we are making an absolute gift.

Mr. KING (Kootenay): It is purely a subsidy.

Mr. GARDINER: When this item was first placed in the estimates, was it for the purpose of subsidizing the railway at that time?

Mr. KING (Kootenay): It was a bridge to be built by the railway company.

Mr. GARDINER: What company?

Mr. KING (Kootenay): The New Westminster and Yukon Railway, I think is the name.

Mr. STEVENS: Yes, and then on the renewal of the subsidy, under the chapter in the statutes which is referred to here, it was granted to the Burrard Inlet Bridge and Tunnel Company, which is an incorporated body made up of the municipalities of North Vancouver, Barnet and Vancouver, which own all the stock and the whole of the Burrard Inlet Bridge and Tunnel Company.

Mr. KING (Kootenay): My hon. friend will probably assist me in regard to the name of the railway that received the first subsidy. I think it was the Westminster-Yukon.

Mr. STEVENS: The old charter was to the Westminster-Yukon Railway. They never got any distance. That does not affect this vote, nor does it affect the charter referred to in the estimates.

Mr. GARDINER: Did the present company have to buy the charter of the former company?

Mr. KING (Kootenay): No.

Mr. GARDINER: Has the federal government ever contributed to the building of bridges over the northern Saskatchewan river?

Mr. KING (Kootenay): Not to my knowledge. They contributed to the bridge across the river at Edmonton in Alberta. We built one bridge entirely and contributed to another.

Mr. COOTE: Would the chief benefit in this case be to owners of real estate in North Vancouver?

[Mr. J. H. King.]

Mr. KING (Kootenay): No, the reeves of the municipalities being on the board of directors, would be interested. If anyone is familiar with the situation in Vancouver he will realize the necessity of connecting the north and south shore of Burrard inlet.

Item agreed to.

Progress reported

On motion of Mr. Mackenzie King the House adjourned at 12.10 a.m. (Friday).

Friday, June 19, 1925

The House met at eleven o'clock.

PRIVATE BILLS COMMITTEE

Mr. A. J. LEWIS (Swift Current) presented the ninth report of the select standing committee on Miscellaneous Private Bills.

PRIVATE BILLS

REFUNDING OF ADDITIONAL CHARGES

Mr. W. F. MACLEAN (South York) moved:

That in accordance with the recommendation contained in the eighth report of the select standing committee on miscellaneous private bills, the additional charge paid on Bill No. 98, for the relief of Cecil Hunter, be refunded.

Motion agreed to on division.

Mr. W. F. GARLAND (Carleton) moved:

That in accordance with the recommendation contained in the eighth report of the select standing committee on miscellaneous private bills, the additional charge paid on Bill No. 98, for the relief of Jacob Edward Thuna, be refunded.

Motion agreed to on division.

Mr. HERBERT MARLER (St. Lawrence-St. George) moved:

That whereas it appears by the Votes and Proceedings of March 17 last that the second reading of Bill No. 19, respecting a patent of The Marconi Wireless Telegraph Company of Canada, Limited, was passed in the negative, the fees and charges paid thereon be refunded, less cost of printing and translation.

Mr. ROBB: I offer the same objection as I have made to similar motions.

Motion agreed to on division.

Mr. T. J. STEWART (West Hamilton) moved:

That in accordance with the recommendation contained in the ninth report of the select standing committee on miscellaneous private bills, the additional charge levied and paid under rule 89 ss. 3 (c) and 8 on Bill No. 185 (Letter A5 of the Senate), intituled: "An Act for the relief of George William Quibell," be refunded.

He said: The committee recommended the refund of this money only this morning, and I have just received the motion.

Mr. SPEAKER: On that understanding, is it the pleasure of the House to adopt the motion?

Motion agreed to.

FIRST AND SECOND READINGS

Mr. SPEAKER: In order to save time, if the House does not object, we could give these bills a first and second reading now.

Bill No. 219, from the Senate, respecting certain patents of Accounting and Tabulating Machine Corporation.—Mr. Jacobs.

Bill No. 222, from the Senate, for the relief of Walter Roderick Lewis.—Mr. Duff.

Bill No. 223, from the Senate, for the relief of Irene Muriel Corelli.—Mr. Garland (Carleton).

Bill No. 224, from the Senate, for the relief of Wilfred Clarence Byron.—Mr. Ross (Kingston).

Bill No. 225, from the Senate, for the relief of Jessie Irene Yates.—Sir Henry Drayton.

Bill No. 226, from the Senate, for the relief of Mary Ann Tattersall.—Mr. Preston.

Bill No. 227, from the Senate, for the relief of Walter Lewis Hawkins.—Mr. Stewart (Leeds).

UNSATISFACTORY AUDIT CLERK

Hon. J. A. ROBB (Acting Minister of Finance): At the request of the Auditor General, I lay on the table copy of a letter which he has written me respecting certain matters referred to in the discussion which took place on Thursday last when the estimates of the Department of Finance were under consideration. I also submit copy of my reply. In the memorandum which I read to the House at the time, an instance was cited of a clerk sent by the Auditor General's department to assist in audit work in the Department of Finance who had previously been in our employ in the identical branch concerned and had been found to be unsatisfactory. No name was mentioned and I do not think it is advisable or necessary to do so as, after all, the clerk referred to is a young man in the making with his future before him. The Auditor General included with his letter copies of certificates from the Civil Service Commission which give the name of the employee; but, for the reasons given above, I have thought it well not to include the same with the correspondence tabled.

TAX COLLECTIONS

Mr. W. C. GOOD (Brant): I presume, Mr. Speaker, that I have now complied with the rules of the House in having given regular notice of the motion which I undertook to move on Tuesday last. I desire now to move:

> Whereas under an order of reference made on the 23rd of March, 1925, the standing committee on Public Accounts has had under investigation the methods of assessment and collection of business profits and income taxes;
>
> Therefore be it resolved,
>
> That the said committee on Public Accounts be instructed that they have power to consider and recommend to this House such amendments to the Income War Tax Act as may seem to them advisable.

When I was ruled out of order on the previous occasion I had submitted to the House in support of the motion, first, that the Commissioner of Taxation was formerly a tariff officer of the Canadian Manufacturers' Association; secondly, that he had assumed full responsibility for all the assessments made under the Business Profits War Tax Act; and, in the third place, that not a single one of some 30,000 assessments had been pressed in appeal. The fourth point I submitted was that no member of parliament nor any committee of parliament had had the privilege of examining any original assessment or any modifications thereof. I submitted that all the files were strictly confidential and that all the officials were under a solemn obligation to preserve secrecy in regard to those files. Not only was this the case, but I stated that recently the department had required of all officials at Ottawa a sweeping and solemn declaration before a commissioner to the effect that they had not, in writing or otherwise, directly or indirectly, disclosed or caused to be disclosed, or made available, any such confidential information; and that they were not aware of any person or persons, if any, to whom there had been such disclosures. And so forth.

Now I proceed to the submission of further facts and arguments in support of this motion. I would point out, further, that if there are any alleged irregularities or discriminations, no one, in view of the facts I have just cited, can make any investigation to determine whether or not the allegations are well founded. The officials are bound to secrecy under heavy penalties and the Public Accounts committee is not permitted to investigate even in camera. Indeed, the Auditor General is in doubt as to whether he has the power to institute an investigation. When he was before the committee

that question was put to him very definitely and he admitted that there was some doubt as to whether even he had the power to inquire into these matters.

In the fifth place, I submit that all the officials in the Taxation branch, not only in Ottawa but throughout the whole of Canada, are outside the Civil Service Commission and that even the practice of advertising for applications is not followed. Therefore, the commissioner or perhaps technically, the minister, "hires and fires" at pleasure.

In the sixth place, there is very considerable dissatisfaction with the administration in this branch, particularly in the case of appeals. I should like in that connection to refer to a couple of letters which have come to me in the course of the investigation, one from Mr. F. W. Gerrish, of Montreal, who is a chartered accountant and a graduate of Cambridge university. I quote in part from his letter:

> In my opinion the income tax is by no means a most desirable form of taxation, but if it is retained, I consider that returns should be sent in annually by the end of January and all assessments should be made by the end of June, in order to avoid waste of time to tax-payers and the government. A proper judicial system of assessment is far preferable to arguments between tax-payers and inspectors examining books at the offices of tax-payers, as such arguments may often be carried on without regard to elementary principles of law, fact, accounting, and admissibility of evidence. I see no logical reason why such appeals should not be heard publicly.
>
> Under the present system large firms have office organizations and professional advisers to protect them. The small tax-payer through ignorance is often liable to pay an arbitrary assessment in excess of his real income.

Mr. Gerrish encloses with his letter to me a letter which he wrote to the Montreal Herald and which was published in its issue of January 21, 1922. That letter deals with the policy and administration in the Taxation branch and makes certain criticisms and complaints, particularly in regard to the absence of a body of case law which should be built up as a guidance for taxpayers as well as for the department. I do not wish to burden the House with a long quotation from the letter at this moment, but I refer to it because it appeared publicly in one of the Montreal papers.

I want to refer now to some other letters which I have had from a firm of accountants in western Ontario. In the matter of appeals, I quote the following:

> During the last four years there have been possibly twenty or thirty of our clients who have requested a hearing before the Board of Referees as provided in the act as originally drawn, and in not a single case has the request been treated otherwise than with unmitigated contempt.
>
> We have been informed that under pressure from the public for hearing before the Board of Referees, Mr. Breadner made representations to the government to have the board abolished. This he succeeded in doing and had substituted therefor reference to the Exchequer Court of Canada and the Supreme Court of Canada, procedure, which, on account of the expense involved, is utterly prohibitive to any but taxpayers of very large means.
>
> From this office alone there are at present pending in the commissioner's office many appeals from assessments, some of which have been lying undisposed of for as long as two or three years. Throughout the country there must be thousands of such cases which have been appealed and remain in the commissioner's files undisposed of.

Mr. ROBB: What firm is that?

Mr. GOOD: This is from Falls, Scott & Co., of Windsor, Ontario. With this letter was enclosed also an editorial from the Canadian Chartered Accountant of this year. I will read a few sentences from this editorial which bear upon the administration of this branch:

> At each successive annual meeting of the Dominion association for some years past, the unsatisfactory conditions which prevail in and about the collection of the federal income tax have been the subject of complaint. There are very many uncertainties as to the exact state of the law at the present time, due to the fact that amendments to the act from time to time have been dictated by the exigencies of special cases which have arisen rather than by an appreciation of the necessity for a fundamentally sound and equitable system of taxation of this particular kind. Every year, a few days before the close of the parliamentary session, when legislators are tired and perspiring, a batch of minor amendments appears in the form of a bill, and these go through—as is doubtless the intention—without time being allowed for examination by those most concerned, namely—The suffering public. The matters thus dealt with, being somewhat technical, their significance is not apparent, the House takes little interest and the law becomes still further complicated.

That is a statement of facts which anybody, who looks over the amendments to the act that have been made almost every year since it was first passed in 1917 can verify. I do not need to refer further to these letters, but I have received other letters complaining of various matters in conection with the administration. In that connection I should like to refer briefly to the provisions in the amendment to the act of 1923 in regard to appeals. Section 7 of the amendment passed in that year reads as follows:

> Sections 12 to 21 of the said act both inclusive are repealed, and the following are substituted therefor.

Then follow new clauses providing an entire and revolutionary change in the method of appeal. Instead of having a board of referees available for appeals, the appeal in the first instance is to the Commissioner of Taxation ostensibly the department, and if no adjustment is arrived at the taxpayer may if he

wishes carry the appeal to the Exchequer court. But hon. members will note this:

> The party appealing shall thereupon give security to the satisfaction of the minister in a sum not less than four hundred dollars for the security of the costs of the appeal. Unless such security is furnished by the party appealing within one month after the mailing of the notice of dissatisfaction the appeal and all proceedings thereunder shall become null and void.

Mr. IRVINE: Before the hon. member concludes, would he turn around and face this way, tell us on what subject he is speaking and what he wants us to do? Because we have not the slightest idea.

Mr. GOOD: I am sorry if I have not made myself heard by my hon. friend behind me. I cannot face all directions at once. If I turn round and face in his direction, I am afraid a majority of the members of the House would not be able to hear me at all.

I submit, Mr. Speaker, to you and to the House, that the present provisions for appeals are entirely unsatisfactory. I have already read an extract from a letter written by a responsible party in the province of Ontario complaining that for years when the board of referees was apparently available appeals have been made, but these appeals have been disregarded and ignored; and that subsequently, in 1923, the whole system of appealing to boards of referees was done away with, and the appeal provided to the Exchequer Court. He states—and I think it will be obvious to everyone—that the appeal to the Exchequer Court is only possible for and only likely to be made by the very large taxpayers who can afford to run the risk and to incur the expense necessarily involved.

Seventhly, I submit, from the evidence which was laid before the committee, that although the Business Profits War Tax Act does not apply to accounting periods subsequent to 1920, assessments and collections under that act have not yet been cleaned up in this year 1925. The commissioner has admitted delay possibly measured in years, both in the sending out of the preliminary letter of advice to taxpayers, and in the sending out of the final notice of assessment. The commissioner has also admitted and defended deliberate delay in issuing the final notice of assessment, in some cases where firms were in financial difficulties. By reason of such delays in making assessments and collections, there have been unknown and indeterminable losses of revenue, —either by loss of interest or due to intervening bankruptcies.

These are the facts and conditions in the department that have been brought out by the inquiry. What then is the conclusion to which we are driven? I submit that it is this: The Commissioner of Taxation possesses quite extraordinary powers, and virtually complete immunity from investigation and criticism. There is every opportunity and temptation to exercise discrimination in the administration of law. No official should be placed in this position. No man should possess such tremendous and such arbitrary power. What therefore should be done? I suggest the following as remedial measures.

First, there should be an amendment to section 11 of the Income War Tax Act dealing with secrecy, to make it clear beyond question that the Auditor General has full power to make investigation of all matters pertaining to assessment and collection of income taxes. I understand it is the intention of the Acting Minister of Finance to recommend that the Auditor General be empowered to audit the revenue of the Dominion. The latter has stated that there is some doubt as to whether or not he is permitted under the law to audit this particular department, and I submit to the minister, to the House and to the government, that such amendment ought to be made immediately so that the Auditor General would be in a position beyond any doubt or controversy to investigate these matters. I should like personally to turn over to the Auditor General, since I have been unable to secure action on the part of the committee, a number of specific allegations of irregularity that have come to me privately, and I should like to have him investigate these matters. If this amendment to the act be not passed, he may come back next year and state that he has been unable or has not been permitted to make this very necessary investigation.

In the second place I think there should be such amendments to the Act as will enable taxpayers to carry their appeals to local courts, thus taking away from the Commissioner of Taxation the opportunity for exercising discrimination in the secret adjustment of appeals; also making appeals much less expensive than they are now to the Exchequer court. I desire, without making any personal reflections, to point out to the House and to the minister that there is under the present system every opportunity for a secret arrangement between the commissioner and any taxpayer, an arrangement which if it is irregular or unwise is not possible of discovery later on.

In the third place—and although this deals with a somewhat different matter, it is a matter which ought to be considered and acted upon, I think, by this House in the near

future; I refer to the assessment of income taxes—

Mr. STEVENS: I rise to a point of order. The hon. member (Mr. Good) has just made a statement which reflects very seriously upon the honesty, honour and integrity of an old and long-tried public servant, under circumstances of the privilege of parliament, where such public servant has no opportunity to reply. I submit as my point of order that this whole subject was fully discussed before the Public Accounts committee during this session; that the said public servant was before the Public Accounts committee—I refer to the Commissioner of Taxation;—that the hon. member now making this charge under these unfair conditions had ample opportunity to examine the said public servant; that he did not succeed in securing the support of the said parliamentary committee; and that therefore his charge is out of order, is wholly unfair, and in no case in harmony with either the rules or the ethics of parliament.

Mr. GOOD: Speaking to the point of order, I wish to state that I have not made a charge against the Commissioner of Taxation. I have merely stated that the evidence submitted to the committee makes it quite clear that the commissioner has every opportunity for the exercise of favoritism and is practically beyond investigation. That is the only statement I made. I think the system is wrong; the law puts it in the hands of any man who is Commissioner of Taxation under the present system—

Mr. STEVENS: The hon. member is not discussing the point of order at all; he is simply insisting upon making this unfair charge. I repeat that this matter has already been discussed, as his own words demonstrate, before the Public Accounts committee, and that the Public Accounts committee found against my hon. friend. Indeed, I am tempted to follow the hon. member's example and depart from the rules of the House myself in a statement of what I think of his action.

Mr. SPEAKER: Has the committee reported to the House?

Mr. MANION: I was one of the members of that committee. The hon. member (Mr. Good) brought up this matter before the committee, and the committee voted it down, so that I think the point raised by the hon. member for Vancouver Centre (Mr. Stevens) is well taken—that an hon. member may not bring before the House a suggestion which has been regarded as unsatisfactory by a committee of the House, after due consideration by that committee.

Mr. SPEAKER: Do any other hon. members wish to speak to the point of order.

Mr. GOOD: In regard to the point just raised by the hon. member for Fort William and Rainy River (Mr. Manion), I may say that the motion I made in the committee to empower the committee to investigate these matters was turned down. That is one reason why I am now submitting my case to the House and to the country. I find it is necessary to do that. I do not wish to transgress the rules of the House, and I do not know that I am doing so. If I am, I shall be glad to be corrected and to confine myself within the rules. I am simply submitting to the House my reasons for the motion which I have made, that is, that the Public Accounts committee should be empowered by this House to consider and make recommendations as to amendments to the Income War Tax Act.

Mr. SPEAKER: I am informed by the chairman of the Public Accounts committee that no report has been submitted by that committee to the House with respect to the proceedings referred to. First of all, it is not permissible for any hon. member to reflect on the witnesses who appeared before a committee and second the proceedings of a committee can not be debated until a report of that committee is before the House. With regard to the reference made by the hon. member to the subject of the evidence given by Mr. Breadner, I will quote from paragraph 246 of Beauchesne's Parliamentary Rules and Forms:

All references to judges and courts of justice and to personages of high official station—

I consider Mr. Breadner, the Commissioner of Taxation, as one of high official station.

—of the nature of personal attack and censure have always been considered unparliamentary.

I therefore rule, first, that no invidious reference be made as against that official, who is not here to defend himself. Besides, I gather from members of the committee who have spoken that his evidence was considered satisfactory by the majority of the members of the committee. Second, I would judge that the motion made by the hon. member (Mr. Good) is not in order, because I now learn that the report of the committee is not before the House. When that report is before the House and the House is in possession of the facts, the hon. member may move for a reference of the report back to the committee with instructions as contained in his motion. The hon. member is anticipating action which

should be taken only when the report is before the House.

Mr. GOOD: May I say, Mr. Speaker, that you accepted the motion as being in order, and I spoke to it on the understanding that it was in order?

Mr. SPEAKER: I could only pass judgment after hearing the statements made by the hon. member. When the report is before the House the hon. member can move his motion.

Mr. GOOD: Will you permit me, Mr. Speaker, to make this explanation? I brought the motion in, feeling that I would never have another opportunity of presenting this matter to the House and to the country.

Mr. SPEAKER: I accept the explanation of the hon. member, but I am bound by the rules. The motion would be in order if the report was before the House, but as the report is not before the House the motion cannot be entertained.

Mr. GOOD: I shall await the report, then, if it ever comes in.

Mr. COOTE: May I ask that the motion of the hon. member be read? I am of the opinion there is nothing in it which refers to the report of the committee.

An hon. MEMBER: The ruling is given.

Mr. SPEAKER: I will read the motion again, out of courtesy to the hon. member (Mr. Coote):

Whereas under an order of reference made on the 23rd of March, 1925, the standing committee on Public Accounts has had under investigation the methods of assessment and collection of business profits and income taxes;

Therefore be it resolved,

That the said committee on Public Accounts be instructed that they have power to consider and recommend to this House such amendments to the Income War Tax Act as may seem to them advisable.

Mr. HANCE J. LOGAN (Cumberland): Mr. Speaker, I am somewhat in doubt about the point of order, but I would like to make a very few remarks in connection with this matter. The hon. member for Brant has thrown out some rather serious insinuations. The difficulty with my hon. friend from Brant is that he does not seem to understand the difference between making insinuations and making charges.

Mr. LEWIS: Mr. Speaker, I understand that you have ruled this motion out of order and therefore it is not debatable.

Mr. SPEAKER: Is the hon member speaking on a question of privilege?

Mr. LOGAN: I am speaking on a question of privilege, regarding an attack made on a committee of which I am chairman. I desire in the very fewest words—

Mr. SPEAKER: I think the question is now disposed of. I have ruled against the motion and against any invidious references being made against a high official of the Dominion government. Unless, therefore, the hon. gentleman rises now to speak on a question of personal privilege, I think we must proceed with the orders of the day.

Mr. LOGAN: My point is this: The hon. member for Brant has seen fit to reflect upon the committee of Public Accounts, and to state that he had certain evidence of being shut out. I desire as chairman of that committee to press the question of privilege and read to the House a statement showing the latitude the hon. member for Brant has been allowed before that committee, and with your permission, Mr. Speaker, I will read this statement.

Mr. SPEAKER: It is not a personal attack. Therefore, we must proceed with the business of the House.

Mr. LOGAN: It is a personal attack upon the rulings of the chairman of that committee.

Mr. GOOD: No, Mr. Speaker, I object. I never made any attack or cast any reflections on the rulings of the chairman.

Mr. SPEAKER: Order. Let the hon. gentleman state his case.

Mr. LOGAN: I say an attack was made on the chairman of the committee for rulings he has made before that committee. I only desire to put on Hansard a short statement showing the leeway that has been allowed the hon. member for Brant in the investigation of this question, and if I may be allowed to make this statement I promise the House I will sit down inside of two or three minutes.

We have had in the Public Accounts committee the following meetings at which time has been devoted by the hon. member for Brant in discussion of the question of business profits and income war taxation as follows:

Date of meeting	Time used by Mr. Good	No. of pages of Evidence
March 17 (1st meeting)	Full time of meeting.. ..	5
April 2	Full time of meeting.. ..	56
April 16	Full time of meeting.. ..	61
April 17	Full time of meeting.. ..	56
April 24	Full time of meeting.. ..	59
May 7	Part time of meeting.. ..	24
May 13	Part time of meeting.. ..	42
May 15	Whole time of meeting.. ..	63
		366

Mr. SPEAKER: Order. I expected the hon. gentleman to speak to a question of privilege. Instead, he has given the time table of the committee. I hope the incident is closed. We are nearing the end of the session and all this is lost time.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Before this matter is finally disposed of, I think we have a right to say a word. You have ruled, Mr. Speaker, against any invidious reference against any high official. I should like to be clear with regard to your ruling, before we pass on to anything further. Does that imply that the hon. member who spoke a little while ago has made such invidious references and is hereby reproved?

Mr. SPEAKER: The hon. gentleman will read my ruling in Hansard, and draw his own conclusions.

Mr. ROBERT GARDINER (Medicine Hat): Mr. Speaker, I rise to a point of order. The hon. member for Cumberland (Mr. Logan) made the statement just a few moments ago, that the hon. member for Brant (Mr. Good) had questioned his rulings as chairman of the Public Accounts committee. I have listened very carefully to all that the hon. member for Brant has said this morning, and I submit to you, Mr. Speaker, that the hon. member for Brant did not use the name of the chairman of the Public Accounts committee in anything he said this morning. I think that the definite statement made by the hon. member for Cumberland in that respect should be withdrawn.

Mr. GOOD: I should like to add a word to that, and to state that I did not this morning object to the rulings of the chairman of the committee, and I am glad now to bear testimony to his fairness during the meetings of the committee.

Mr. LOGAN: I desire to thank the hon. member for Brant for saying that.

Mr. GARDINER: I submit, Mr. Speaker, that the statement of the chairman of the committee of Public Accounts should be withdrawn in all fairness to the hon. member for Brant. I think it is the only fair thing to do.

Mr. SPEAKER: The incident is closed.

Mr. GARDINER: That is not correct. I rise to a point of order and ask that his statement be withdrawn.

Mr. LOGAN: Speaking to the point of order, as the hon. member for Brant said that he had not been allowed to ask certain questions in the Public Accounts committee—

Mr. GOOD: No.

Mr. LOGAN: Hansard will bear me out,—and as the chairman of the committee is the only person who can say whether or not he shall be allowed to ask certain questions in the committee, I took his remark as a reflection on myself. Under the circumstances, however, and with the explanation of the hon. member for Brant, I will withdraw the statement which I made, and I hope the incident is closed, because we have had very interesting sessions of the Public Accounts committee.

JOHN E. RUSSELL COMPANY PATENTS

Mr. ARCHAMBAULT (for Mr. Chevrier) moved the first reading of Bill No. 220, from the Senate, respecting a patent owned by the John E. Russell Company.

Motion agreed to.

On the motion for the second reading:

Right Hon. ARTHUR MEIGHEN: (Leader of the Opposition): I really do not know anything about this bill, and I do not think that anybody else does. I do not want to delay the bill but when there is nobody here to explain it I do not think it should be read a second time without the slightest consideration, especially when it relates to patents.

Mr. SPEAKER: When shall the bill be read a second time? At the next sitting of the House.

Mr. ARCHAMBAULT (for Mr. Chevrier) moved that Bill No. 221, from the Senate, respecting a patent owned by the John E. Russell Company be read a first time.

Motion agreed to.

COKE FROM CANADIAN COAL

Hon. CHARLES STEWART (Minister of Mines) moved that the House go into committee at the next sitting to consider the following proposed resolution:

Resolved, (1) That it is important in the national interest that the cost of fuel to consumers be reduced; that this country be made as much as possible independent of the rest of the world in respect of fuel; that fuel famines should be avoided and the consumption of Canadian coal should be encouraged, and that the construction of works for the production of coke from Canadian Coal would largely contribute to these results.

(2) That it is expedient to bring in a measure to encourage the construction of works for the production of domestic fuel from coal mined in Canada.

(3) That " minister " in these resolutions shall mean the Minister of Mines, and " works " shall mean " by-product coke ovens."

(4) That the Governor in Council may, as an aid to the construction of works for the production of coke from coal mined in Canada, authorize the payment out of any unappropriated money forming part of the consolidated revenue fund of Canada, of assistance in accordance with the provisions of the proposed legislation, to any incorporated company approved by the governor in council as having the ability to perform the work, which shall enter into an agreement with His Majesty to construct, under the provisions of the proposed legislation, works for the production of domestic coke and by-products from coal mined in Canada, with all necessary equipment, machinery and plant requisite for such purpose, but no such aid shall be granted unless the governor in council is satisfied upon the report of the minister that the construction of the proposed works is in the public interest.

(5) That any company which seeks to enter into an agreement with His Majesty to construct works for the production of domestic coke from coal mined in Canada, under the proposed legislation, as part of its application therefor, shall present detailed working plans and specifications of the proposed works accompanied by estimates of the cost thereof, including estimates of all necessary equipment, machinery, plant and site (provided as to the site the company is obliged to pay therefor and does not obtain or has not obtained it by way of bonus or gift), and such estimates of cost shall be in such detail as shall enable the engineer appointed by the minister to verify the same for the purpose of the report to be made by him.

(6) (1) That the amount payable in respect of works for the production of domestic coke from coal mined in Canada which have been constructed under the proposed legislation shall be an annual sum not exceeding three per cent of the cost of the work as fixed and determined under subsection 2 of this resolution, each year during a period not exceeding fifteen years from the time the governor in council has determined under the proposed legislation that the work has been completed.

(6) 2) The cost on which the amount payable shall be calculated shall be fixed and determined by the Governor in Council upon the recommendation of the minister based upon a report of an engineer appointed by the minister for the purpose, accompanied by plans and specifications of the proposed works, and such costs shall include the cost of all necessary equipment, machinery and plant, and any sum bona fide expended or to be expended by the company in the purchase of a site for the production of domestic coke and of any existing equipment, machinery and plant that may be utilized for the purpose of works to be constructed under the proposed legislation, but shall not include the value of any site received or to be received by the company by way of bonus or gift; and the amount of the payment shall be so fixed and determined before the agreement for payment is entered into.

(7) That the construction of the works shall be under the supervision of the Department of Mines, and they shall be completed within the time limited by the agreement unless the time is extended by the Governor in Council, and the amount to be paid shall be payable during the period agreed to by the Governor in Council as specified in the preceding resolution, from the time the Governor in Council upon a report of the minister determines that the work required by the agreement has been completed, and the production of domestic coke as contemplated by this legislation may forthwith be proceeded with.

8. That the agreement, in addition to such other provisions as the Governor in Council may determine, shall contain covenants on the part of the company:—

(*a*) To use in the manufacture of coke only coal mined in Canada, and in the event of other coal being so used to pay His Majesty as liquidated damages the sum of one dollar per ton for each ton of coke produced from coal other than coal mined in Canada;

(*b*) To sell the coke produced in works constructed under the proposed legislation at fair and reasonable prices, and such prices shall be subject to control by the Dominion Fuel Board or by such other authority or person that the Governor in Council may determine;

(*c*) To maintain and operate the works for the production of domestic coke, within the limits of the capacity thereof in such manner as to meet the reasonable requirements of the public; and,

(*d*) Provisions for investigation and report in the event that the minister is of opinion that the company has failed to comply with the proposed provisions or covenants, and in case of differences, for arbitration, and for making the decision of the board of arbitration a rule, order or decree of the Exchequer court, (*e*) for the keeping in repair of said works by the company, (*f*) for the taking possession of the works in the event of the company failing to operate the same or keep them in repair.

9. That no bonds, debentures or other securities shall be issued as a charge upon said works until it has been established to the satisfaction of the minister that not less than fifteen per cent of the cost of the works as fixed and determined has been spent on the work and material therefor, and that there are no outstanding and unsettled liens, encumbrances or claims upon or in respect of such works, but thereafter the minister may permit the issue of bonds, debentures or other securities, and any amounts to be paid may, with the approval of the minister, be assigned to a trustee for the holder of such bonds, debentures or other securities, and the subsidy shall, in that event, notwithstanding any liability incurred by the company under the foregoing provisions be payable directly to such trustee, but until the works have been completed to the satisfaction of the minister, the total amount of the bonds, debentures or other securities issued shall not at any time exceed seventy-five per cent of the amount actually expended for the work and the materials for said works, and in no case shall any bonds, debentures or other securities be issued without the consent of the minister in writing.

10. The company before receiving the first payment under these provisions, and annually thereafter, shall file in the office of the minister a verified statement as to the financial state of the company and details of the business.

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. ANDREW McMASTER (Brome): I believe that I am going to follow a somewhat unusual course in objecting to this procedure, but the proposed legislation is, in my opinion, so inadvisable, and the time of the House at this period of the session so precious, that I think it would be best for me to say what I have to say in connection with the matter now, in the hope that wiser considerations will prevail with those responsible for this legislation, and that it will not be proceeded with further.

Mr. SPEAKER: It is only a notice of motion. The resolution itself is not to be considered until to-morrow.

Mr. McMASTER: I understand that, Mr. Speaker, and I am not perfectly certain that I am in order, but if there is any object in bringing this resolution before the House surely an opportunity should be given to those who are very much opposed to the legislation to direct the attention of those responsible to it and to the inadvisability of the action, in order that greater time may not be lost. I, of course, always bow respectfully to your ruling, Mr. Speaker, but I do point out that there is a motion before the House, and that being the case it seems logical that the House should have an opportunity of debating it.

Mr. BOIVIN: The motion is not debatable.

Mr. McMASTER: I presume that—

Mr. SPEAKER: Order. The motion is certainly debatable under Rule 17A which says:

Every motion heretofore debatable made upon routine proceedings (except adjournment motions)—

and so on:

—shall be debatable.

Therefore this motion is debatable. The motion is that to-morrow the House will consider the merits of the motion.

What is debatable now is the opportunity of the House to resolve itself into a committee of the Whole to-morrow. The margin allowed to the hon. gentleman is not very wide and he must not go to the kernel of the question.

Mr. McMASTER: If I am to take your remarks as a warning, Mr. Speaker, I should not be in order in discussing the subject matter of the motion at this moment.

Mr. SPEAKER: Exactly.

Mr. McMASTER: Then I will yield to what I think must be the desire of the Minister of Mines (Mr. Stewart) and reserve my remarks until another day.

Mr. MEIGHEN: I have no concern personally as to whether the hon. member goes on to-day or to-morrow, but I think I should put myself on record as to the propriety of debating the merits of the motion itself. The Minister of Mines following his customary practice, said "to-morrow I will move," and so on. The real form should be "I move that to-morrow the House go into committee of the Whole". Although it appears as a notice of motion, it is a motion—a motion is that to-morrow the House go into committee of the Whole; and when the motion is put at this time it is debatable. I feel that up to this time I am in line with Mr. Speaker's ruling; I am not in direct conflict with it anyway. The Speaker has ruled that the motion is debatable—that is to say the motion that the House go to-morrow into committee. The intimation is that it is only the merits of the motion to go into committee that are debatable. Very well, but included in the merits of that motion are the merits of the subject that the House will go into committee on. It is my judgment, whatever meaning hon. members seek to attach to the motion, that the merits of the whole motion are debatable.

Motion agreed to.

AUSTRALIAN TREATY

TIME OF PRESENTING RESOLUTION IN RELATION TO BUSINESS OF THE HOUSE

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee at the next sitting to consider a certain resolution respecting trade between the Commonwealth of Australia and the Dominion of 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.

Mr. SPEAKER: By leave of the House. Shall I dispense with reading the resolution? It is rather a lengthy one.

Some hon. MEMBERS: Dispense.

Mr. G. G. COOTE (Macleod): I do not wish to impose upon you, Sir, the duty of reading this proposed resolution. But if I am out of order, I would suggest to the Acting Minister of Finance (Mr. Robb) that there are on the order paper several resolutions which, I think, are more important, and it is hardly fair that they should take a second place to this resolution for which the minister is now asking the unanimous consent of the House.

Mr. SPEAKER: The motion will appear on the order paper in full to-morrow. This is by leave of the House. I do not object to reading the whole resolution, but it is very long.

Mr. COOTE: I do not wish to ask you to read the resolution, but simply to suggest to the minister that there are on the order paper several resolutions which, I think, should be dealt with before the one he is now proposing.

Mr. GRAHAM: We have to start this one.

Mr. LAPOINTE: This does not give any priority to this resolution. It merely brings it on the order paper.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I am not rising to object to the unanimous acceptance by the House of this otherwise unusual and improper procedure. The notice is only on the Votes and Proceedings to-day and not until to-morrow can the motion be made except by unanimous consent. As regards the hurrying of the matter, I make no objection. But I rise to protest against the conduct of the government and its treatment of the House in relation to this measure. My remarks, while they will apply particularly to this measure, have reference to others as well. The House has been treated in a manner unprecedented even by the government itself in respect of the only consequential measures of this session. We have been treated, prior to now, to a plethora of small, trifling, worthless legislation, accompanied by a torrent of divorce bills. And in the last dying hours of the session more legislation is thrown upon us, in the course of what at most must be a few days, if not hours, than has been introduced or brought to our notice during the whole of the rest of the session. In fact, this legislation alone is of more consequence than all that has been disposed of prior to this time. Within these few hours we have had, as well, the Railway Rates bill which now is half way through parliament after a very hurried discussion, and which is certainly as important, if it does not exceed in consequence, this item itself. The Grain Act also was left until very close to the eve of the close of the session. And we have thrown at us by notice to-day another most important measure introduced by the Minister of Mines (Mr. Stewart),—notice of this was given but a few minutes ago. These together simply overshadow all that we have had presented to us in all the rest of this session. It is true, governments have to have time to prepare; but what reason there could have been that the motion of which we have just had notice as respects coke could not have been before us months ago, I do not know. It seems utterly out of reason that it should not have accompanied the budget presentation. What reason can possibly exist why the Grain Act could not have been before us at least weeks before it was. I do not know. The report was down many weeks before the Grain Act was. What reason there could have been that this Railway Rates bill could not have been before us at least two months ago, nobody knows. Every circumstance was known, two, if not three months prior to the House being favoured with any knowledge whatever of government policy. Now we are told that we have to consider the terms of an involved treaty with Australia, certainly an important treaty, too, a subject most controversial, a treaty affecting perhaps sometimes adversely, sometimes in places favourably, large interests in this country, and it is thrown in the face of parliament just as we are about to prorogue. We have begged for weeks to be favoured with the general terms of the treaty in order that we might know and study them and be ready. We were denied that. We could get no information whatever of what was in the treaty. The government sat still and silent, and all appeals were unheeded to lay on the table any intimation of what the treaty was to contain if ever it came down. It was absolutely unnecessary that this should have been the case, and no member of the House could ever be convinced that it was necessary. For some reason the government endeavoured to delay, by one device or another, until they would get the last precipitate moment in which to bring the measure in. Not only is this the case, but the House has been advised that the measure would not come in. It has been so advised, not in express terms but by inevitable inference. On June 11, on the Orders of the Day, I spoke as follows, and the answers were as I shall read:—

> Will the government state to-day whether they have any more legislation intended to be introduced this session, and if so what?
>
> Right Hon. W. L. Mackenzie King (Prime Minister): I think everything that is of any importance is on the order paper. There is one little measure that the Acting Minister of Finance spoke of to-day with respect to the Battlefields Commission, also one with respect to the Audit Act, very small amendments, I think. Apart from that, I think the legislation is all down at the present time.

I took pains to check the Prime Minister for fear he was wrong:

> Mr. Meighen: I am sure that will be interesting news to the hon. member for Bow River (Mr. Garland).
>
> Mr. Garland (Bow River): What about rural credits?
>
> Mr. Mackenzie King: I omitted to say that it is the intention of the government to bring down a measure on rural credits.
>
> Hon. Ernest Lapointe (Minister of Justice): I may also have a bill relating to a home for girls in the Maritime provinces, but it will not be controversial.

There the matter ends. This is wholly inconsistent, utterly incompatible, with anything except the fact that there was no treaty of this consequence to come down, indeed, no measure even of the importance of that foreshadowed in the motion of the Minister of the Interior to-day. Then again, on June 12, the following took place in this House:

Business of the House

Morning Sittings—Further Legislation

Right Hon. W. L. Mackenzie King (Prime Minister): moved:

That on and after the 16th June instant, until the end of the present session, the House shall meet at eleven o'clock in the morning of each sitting day, and that in addition to the usual intermission at six o'clock p.m. there shall be also an intermission every day from one to three o'clock p.m.

Right Hon. Arthur Meighen (Leader of the Opposition): This is the usual motion and there is no special objection to it, although I really do not see that it is very necessary this year. However, it should not be passed until all government legislation is down, which is not the case. I suggest that the motion stand awaiting the bringing down of all further legislation. If everything is already down I shall have no objection to the motion taking effect on Tuesday.

That was the time the motion was to take effect according to its terms.

Mr. Mackenzie King: There is no objection to having it stand. As I intimated yesterday all legislation is now down, as far I am aware, with the exception of supplementary estimates and one or two very minor bills.

Mr. Meighen: The Prime Minister is forgetting about that rural credits matter that is on the conscience of the hon. member for Bow River (Mr. Garland).

Mr. Mackenzie King: No, I am not forgetting it; I spoke of it yesterday. I said, with the exception of the measures I referred to yesterday.

Mr. Meighen: I think the Prime Minister stated there were one or two minor matters to be dealt with.

Mr. Mackenzie King: I should say there is a small amendment that the Minister of Customs and Excise has—I think to give him power to make regulations under the Smuggling Treaty—and also an amendment to the Customs Act to give him some power in connection with the issuing of tobacco stemming licenses.

Mr. Meighen: And the matter of rural credits?

Mr. Mackenzie King: Yes.

Mr. Meighen: We need to see the rural credits legislation brought down.

Mr. Mackenzie King: I should not like to close the door absolutely to some small amendments that may be needed to be introduced and discussed between now and the end of the session; but I think I can safely say that there will be nothing that will be controversial in any sense.

Mr. Speaker: Shall the motion carry?

Mr. Meighen: The motion stands in the meantime.

Mr. Speaker: Motion stands.

Then the government having brought down what was foreshadowed in this conversation, the motion passed, I believe, on Friday last. Now, in the face of what has taken place the government, with some notification which came I believe about midnight last night after I had gone from the House, brings in to-day what I consider, and what I think the House generally will consider, the most important measure of this session. I would ask the Prime Minister and hon. members whether this is treating parliament with decorum.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I could not take exception for a moment to what my right hon. friend has said as to the lateness at which this legislation is brought down and with regard to what he has quoted from my own remarks, had it not been understood from the outset, as every hon. member knows, that negotiations were taking place between Australia and Canada with the hope of their being successfully concluded before the close of the present session. My right hon. friend, each time the subject was mentioned, indicated that the main purpose of the negotiations was to avoid going on with this matter altogether, and that the object was to drop the Australian treaty.

Mr. MEIGHEN: I indicated nothing of the kind.

Mr. MACKENZIE KING: I think my right hon. friend's remarks will be so understood.

Mr. MEIGHEN: I simply asked for the details of the treaty in order that the House might have an opportunity to consider them.

Mr. MACKENZIE KING: So far as that is concerned, no one knows better than my right hon. friend that when negotiations are pending between two governments no more improper proceeding could be resorted to than to bring into the arena of popular discussion the matters that form the subject of confidential correspondence between them.

Mr. MEIGHEN: I did not ask for anything of the kind. I requested so much information in regard to the Australian treaty as, for example, had been furnished the parliament of Australia months ago.

Mr. MACKENZIE KING: As for that, my hon. friend had only to go to the library and consult the records of the Australian parliament.

Mr. MEIGHEN: I asked that the details be submitted in this House.

Mr. MACKENZIE KING: The government has been most anxious to have the treaty with Australia concluded before the end of the session but it has not been possible to conclude negotiations sooner. It was necessary to send a trade commissioner to Australia for the purpose, and he has been successful in his negotiations. The moment we received from the Australian government information that they were agreeable to proceed with their part of the undertaking provided our parliament enacted what is now proposed, notice was given in this House that the legislation would be brought down. It was not possible for the government to give

that notice until word had been received that the negotiations had been satisfactorily concluded. I am sure that all members of the government regret that it has not been possible to bring in this legislation sooner, but I do submit that there has been no desire in any way to treat the House otherwise than with the greatest courtesy and the fullest consideration in every respect. We can take whatever time parliament wishes to discuss this treaty, although, I repeat, I regret, with my right hon. friend and all hon. members, that it has not been possible to bring down the legislation earlier.

Mr. MEIGHEN: Does not the Prime Minister think that he ought to have referred to it when the matter was brought to his attention on two occasions?

Mr. MACKENZIE KING: As I have already pointed out, I was not in a position to say whether or not the negotiations would be concluded before the session was over; had I been sure of that I would certainly have said that we would bring down the treaty before prorogation. I did not wish to be open to the reproach from my right hon. friend that I had said we would bring down the treaty, when I might find later on that it was not possible to do so. Hon. members will bear me out when I say that it was understood all along that the government intended as soon as the matter was concluded to give to the House the full particulars.

Mr. MEIGHEN: That is what I understood until now. But on this matter being brought twice to the attention of the government it was undoubtedly the duty of the Prime Minister, if it had been intended all along to proceed with the treaty, to have said that in the event of negotiations being completed with Australia the treaty would be brought down. Such an intimation was omitted and the House was misled.

Mr. E. J. GARLAND (Bow River): I am not altogether sure that I share the opinion of the leader of the opposition as to the supreme importance of this legislation. I have no doubt it is important, but not having the details of it before me I cannot very well criticize it on that ground except to say that if it follows the lines of legislation forecast during the summer then it looks to me as though it were of the greatest interest to a small group of auto repair manufacturers and of some interest to the rest of the country as imposing indirect taxation. But may I say that in my opinion this legislation is not so important that it should precede the bringing down and passing through this House of both the Grain Act and the rural credits legislation; I think it is the duty of the government to see that both these measures come before parliament before this most contentious Australian treaty is placed before us for discussion.

Motion agreed to.

DOMINION ELECTIONS ACT—ALTERNATIVE VOTE

On the Orders of the Day:

Mr. ROBERT FORKE (Brandon): There is another matter that has not been referred to. I think the single transferable vote legislation was before the House. Has the government forgotten to do anything more with regard to that measure?

Right Hon. W. L. MACKENZIE KING (Prime Minister): We hope to bring in this afternoon the legislation respecting the Dominion Elections Act. I think I told the House that that matter would have to be considered before we could go on with the single transferable vote. I may say to my hon. friends that I think it is somewhat doubtful whether the House is prepared to consider the single transferable vote. However, the government is giving the matter further consideration.

Mr. GARLAND (Bow River): Surely the right hon. Prime Minister, the leader of the government, is not going to break his promise to parliament? Surely we will have this legislation brought down?

Mr. MACKENZIE KING: The legislation has been brought down. I do not think I ever promised it would be carried through the House. I could not have made that promise.

Mr. GARLAND (Bow River): That is the inference.

Mr. MACKENZIE KING: It is not the inference.

Mr. GARLAND (Bow River): What is the good of bringing down legislation if we are not going to put it through?

INQUIRY FOR RETURNS

TRANSFER OF LANDS

Mr. J. A. CLARK (Burrard): I call attention to a return to the order of the House dated February 23, which has been tabled in the House. I asked for a return as follows:

1. Since Confederation, how many acres of land belonging to the Dominion of Canada have been transferred to the Province of Ontario and on what date transfers were made.

2. Consideration paid by said Province of Ontario for said transfers.

There are two similar questions with regard to Quebec.

Question 2 asks the consideration paid by the province. The answer is, "no information in Department of the Interior." And no other answer is given.

I draw attention to another order of the House, dated February 23, of which this question forms part:

What portion of the Northwest Territories and Rupert's Land is still owned by the Dominion of Canada?

The obvious intention of that question is shown by the questions which preceded it—to what portion of the Northwest Territories is title held by the Dominion of Canada? Portions of them have been transferred to the provinces of Manitoba, Saskatchewan and Alberta. The answer says:

The whole of the original Northwest Territories and Rupert's Land are included within the Dominion, large areas thereof being included within the boundaries of the provinces of Alberta, Saskatchewan, Manitoba and Northern Ontario and Northern Quebec.

The answer given is in my opinion absurd—

Mr. SPEAKER: Order.

Mr. CLARK: —because it says that the whole of the original Northwest Territories are included within the Dominion. That is quite obvious; a schoolboy would know that. And the answers to the remaining questions, 4, 5 and 6 are quite unintelligible and useless, in consequence of the misinterpretation of these questions.

Mr. MEIGHEN: I think the Minister of the Interior should make an explanation.

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): I confess I would require to have an opportunity of discussing with the hon. gentleman the exact information he wants. I could only hear very imperfectly what he was saying, but I think the information he wants is the definite acreage held by the crown in these provinces, and I understand him to say that the answer does not give that.

Mr. MEIGHEN: I looked over the returns. There is absolutely nothing answered. The questions are simply dodged.

Mr. STEWART (Argenteuil): I regret I did not examine the returns. I will undertake to see the hon. member gets a definite answer, and I will be glad to discuss the matter with him.

[Mr. Clark.]

NATIONAL BATTLEFIELDS AT QUEBEC

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 205, to amend an Act respecting the National Battlefields at Quebec.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

Section 1 agreed to.

On section 2—Rents, dues, etc.:

Mr. MEIGHEN: What is the effect of these provisions, especially clause 1.

Mr. ROBB: The explanatory notes are on the opposite page.

Mr. MEIGHEN: They are very, very brief.

Mr. ROBB: It is the only reference I have here. I will read a memorandum in regard to it:

By chapter 46 of the Statutes of 1914 it was provided that no lands or immovable property should be purchased or acquired by the commission except with the previous approval of parliament.

By chapter 58 of the Statutes of 1908 the commission was given authority to buy certain lands. These are included among those set out in this bill.

I understand that they must have the permission of parliament to buy these lands, and it involves no additional expenditure.

Mr. MEIGHEN: How can they buy the lands without expending money?

Mr. ROBB: They have the money.

Mr. MEIGHEN: They have to spend it.

Mr. ROBB: They have to come before parliament.

Mr. MEIGHEN: The money is provided by parliament.

Mr. ROBB: It is provided by contribution.

Mr. LAPOINTE: The amount is made up largely by subscriptions from bodies all over the empire. This bill has been asked for by the commission, the members of which are citizens from all over the Dominion of Canada. These properties are part of the national battlefields and must be included in the bill.

Mr. MEIGHEN: It is part of the battlefield of the Plains of Abraham?

Mr. ROBB: Yes.

Section agreed to.

Bill reported, read the third time and passed.

PRISON AND REFORMATORIES ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 206, to amend the Prisons and Reformatories Act.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—interprovincial home for women at Moncton.

Mr. MEIGHEN: This bill, in the clash and terror of the last hours of the session, has no explanations at all. We will have to depend a lot on the minister here.

Mr. LAPOINTE: Last year the chapter which is repealed by section 1 was enacted for this same institution, but the bill placed the institution in the same class as the Maritime home for girls at Truro. It happens that the latter institution is for girls under sixteen, whereas the institution dealt with here, which is properly known as the Interprovincial Home for Young Women at Coverdale in the county of Albert, New Brunswick, is for girls over sixteen.

Mr. MEIGHEN: I understand that section 162 of the Prisons and Reformatories Act, which applies to the Truro school, was made to apply to this school, and that is now to be repealed. Does the rest of the bill make regulations for this school?

Mr. LAPOINTE: Yes, the same provisions as those which apply to other similar institutions throughout Canada.

Mr. CHURCH: While this bill applies only to one province and to one institution, still, the principle involved in it is Dominion-wide. Why are juveniles from sixteen to eighteen years of age kept in these federal institutions? It is no place for them. Could not the minister in the recess of parliament take this matter up with a view to providing separate institutions, either alone or jointly with the provinces? The figures show a large number of children housed in these places. Can not some better plan be adopted?

Mr. LAPOINTE: It will be seen by a reference to the Prisons and Reformatories Act, chapter 148 of the revised statutes, that there are similar institutions in Ontario. I think the one similar to this would be the Andrew Mercer Ontario Reformatory for Females. The same provisions apply to this institution as to the one we are dealing with.

Section agreed to.

On section 2—Protestant women over sixteen years may be sentenced to extended or substituted imprisonment in Interprovincial Home at Coverdale, N.B.

Mr. MEIGHEN: This merely provides for the power of sentence to be applicable to this home in place of a penitentiary?

Mr. LAPOINTE: Yes.

Mr. MEIGHEN: Why should we provide the home? Do we do that in all the provinces?

Mr. LAPOINTE: We are not providing the home; the provinces do that. We are simply giving the authority to send prisoners there.

Mr. CALDWELL: I think the funds are provided not by the provincial governments, but by different churches in the Maritime provinces.

Mr. LAPOINTE: I believe that is right. The amounts may be contributed by private subscriptions or by the efforts of associations or organizations, but the institutions are under the supervision of the provinces. I know the various protestant churches have been very anxious to have this legislation put through before the session is over. I have been receiving telegrams and representations from almost every member from New Brunswick in this parliament.

Section agreed to.

Bill reported, read the third time and passed.

CANADA-UNITED STATES SMUGGLING TREATY

Hon. P. J. A. CARDIN (Acting Minister of Customs and Excise) moved the second reading of Bill No. 207 for carrying into effect a treaty signed 6th June, 1924, between His Majesty in respect of Canada and the United States of America, for the suppression of smuggling operations and for other purposes.

On section 1—Governor in Council may carry out provisions of treaty.

Mr. MEIGHEN: This is another bill without any explanation. Here is a bill which the government had in mind at the opening of the session; in fact, it is one of about only three named in the Speech from the Throne. How is it this has been kept under the minister's hat till just now?

Mr. MACKENZIE KING: This bill could not have come in until after the treaty was signed. The treaty was signed on the 6th of June.

Mr. MEIGHEN: It is referred to in the Speech from the Throne.

Mr. MACKENZIE KING: The speech referred to the treaty that was being negotiated with respect to smuggling, and this bill is to give power to carry out the provisions of the treaty.

Mr. CARDIN: The only object of this bill is to give power to the Governor in Council to make regulations to put the treaty into effect.

Mr. MEIGHEN: The only thing in the act is the recitement. Where is the treaty itself?

Mr. MACKENZIE KING: The House passed the treaty, and I suppose copies of it are available. The treaty has been approved and ratified by both His Majesty's government and that of the United States.

Mr. MEIGHEN: It is just the treaty referring to the smuggling of narcotics and liquors, not the smuggling of other goods?

Mr. MACKENZIE KING: The smuggling of narcotics and liquors.

Section agreed to.

Bill reported, read the third time and passed.

BOARD OF AUDIT

Hon. J. A. ROBB (Acting Minister of Finance) moved that the House go into committee to consider the following proposed resolution:

Resolved that it is expedient to introduce a measure to constitute a Board of Audit composed of not less than three nor more than five persons, one of whom may be appointed by the Governor in Council to be the chairman; that each member of the board except a member who is an officer of the public service be paid compensation for his services at a rate not exceeding three thousand dollars per annum, and that a further allowance at a rate not exceeding one thousand dollars per annum may be paid to the chairman of the board; that the board, on the approval of the treasury board, may engage skilled assistance and clerical assistance; and that the necessary expenditures be paid out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

Motion agreed to, and the House went into committee thereon, Mr. Gordon in the chair.

Mr. MEIGHEN: This is certainly "some" resolution. We are told that we ought to appoint a Board of Audit; what we ought to pay them; how much more we ought to pay the chairman; and that the board ought to be allowed to spend money;—and that is all we are allowed to know about the board. What in the world is it to do? Would not the resolution mean something if it stated what the purpose of the Board of Audit was? It is only a farce bringing in a resolution asking parliament to appoint a Board of Audit without the slightest intimation of what are to be their powers and duties. We passed a Board of Audit Act some years ago, at the instance of this government; in the days of its early enthusiasm, when it was going to regenerate this Dominion, especially the public service. There was going to be a man brought in who was going to be a sort of General Foch and Lord Kitchener rolled into one. Then the government thought he could best be helped by a Board of Audit, and the Board of Audit was appointed; and they were given powers,—and their powers included the universe, the heavens above and the waters beneath.

Mr. ROBB: The Board of Audit was appointed prior to the appointment of the new Auditor General.

Mr. MEIGHEN: There was a Board of Audit Act, and a board appointed under that act. They were to re-audit and reconstruct the whole bookkeeping system of Canada. Not only that, they were to go into the Canadian National Railways, into all commissions and everything else in the public service, past or present, and put everything in order. As far as I have ever heard they have never done a tap, not a single thing. The whole thing was a misconception. There was nothing subtracted from the duties of anybody else, so when they came into existence, as far as I have ever learned, they were told simply to sit still, keep quiet, and look nice. They have never done anything,—I suppose they have drawn their salaries. What is the reason that one of these pantomimes is not enough without another?

Mr. ROBB: My hon. friend is correct in saying that a Board of Audit was appointed under the act of 1923, but that board was appointed prior to the appointment of the present Auditor General. The act, however, provided that the Auditor General was to be the chairman of the Board of Audit, and that the board should cease to function on the 1st of July, 1925.

Mr. MEIGHEN: What has the board ever done?

Mr. ROBB: This act is to continue the audit board with some minor changes. The act of 1923 provided that the board should consist of four members, the Auditor General and the Deputy Minister of Finance being two. The other two were to be chartered accountants. The bill now submitted provides that the membership shall be not less than

three and not more than five. One of the members must be a chartered accountant. There is no reason why they should not all be chartered accountants, but at least one must be.

The new board shall act as advisers to the Treasury board, and on its instructions shall investigate:

(*a*) the sufficiency of the methods of accounting and of the procedure in other respects employed in the conduct of the public business of Canada or of any department or detail thereof;

(*b*) the economies which may be effected in any of the public services or in the conduct of the public business;

(*c*) the financial affairs of the Canadian National Railway Company and the Canadian Government Merchant Marine, Limited, and any other undertaking owned or carried on by the Government of Canada;

(*d*) the financial affairs of any commission or other public body the operations of which are carried on by appropriations from the Treasury of Canada, or which are aided by grants or loans from the said treasury.

The members shall hold office for a term not exceeding five years, but they shall be eligible for re-appointment.

When the bill is submitted, hon. gentlemen will observe that the change in this bill as compared with the bill of 1923 is that neither the name of the Auditor General nor that of the Deputy Minister of Finance is mentioned in this bill. Under the old act one was the chairman and the other was the vice-chairman; under this bill it is provided that the chairman shall be appointed either by the board itself or by the Governor General in Council. It is clearly understood under the Audit Act that the Auditor General is to audit. These officers are advisers to the Treasury board and are to determine methods of economy and uniformity in the financial system of the country.

Mr. MEIGHEN: All this sounds very fine, but I fancy the minister has not given us the principal clause in the bill. I have never seen it but I am going to hazard a guess: You will find a clause in this bill providing that "notwithstanding anything in the Civil Service Act contained" the Governor in Council shall appoint these men. We will wait and see if that is not in it. Does the minister say it is not going to be there?

Mr. ROBB: I should think my right hon. friend will agree at once that if he were in power he would want the right of appointing this audit board.

Mr. MEIGHEN: I thought that would be there.

Mr. ROBB: That was in the old act. There is no change in that respect at all.

Mr. MEIGHEN: In that respect there is. This government brings in as a principal clause that they shall appoint the men. I knew that was coming, all right. Now, then, what is this audit board to do? The scope of its duties is wide enough, but just in proportion to the width and infinitude of the scope given will be the paucity of its performance. When the minister tells us that he has an audit board he should give some evidence that it is going to do anything but draw its salary. The first audit board was to have power to audit and supervise the whole bookkeeping of the country, every single detail. But in addition, for fear it would be idle, it was to go into the National railways and fix things up all through that system. Now, is it not a fact that it never puts its nose in any of them, that the National Railways now, at the close of four years nearly, have got a big auditing genius down in New York and are paying him a hundred thousand or two hundred thousand dollars to come up and tell them what they owe and what the state of their books is? Is not the sum and substance of what this audit board did in the National railways literally nothing? I do remember that they fussed a little at the time of the revision of the salaries in connection with the postal employees. I read the record there. I saw that they stepped in on unholy ground and got kicked out, and were only a nuisance. Beyond that I have not heard of one single activity on the part of that audit board.

Mr. ROBB: I admit the kicking out. May I remind my right hon. friend—possibly he was not in the House at the time—that I did make a statement that the board had investigated and audited the accounts of the Canadian National Railways and they are now working on the copy of a report of their activities to be tabled?

Mr. MEIGHEN: The Board of Audit investigated the accounts?

Mr. ROBB: Yes, of the National railways.

Mr. MEIGHEN: They did nothing of the sort, and the minister knows it.

Mr. ROBB: They looked into the expenditure.

Mr. MEIGHEN: Oh, no, they did not.

Mr. ROBB: And if my right hon. friend wishes I will give him a copy of the report, when it is finished. There is only one report; I am having another prepared to be tabled.

Mr. MEIGHEN: Report of what?

Mr. ROBB: They looked into the accounts of the Vancouver harbour board and they looked into the accounts of the Quebec harbour board. Speaking from memory I think they looked into the accounts of the Montreal harbour board also, but I am not sure about that. I know they did in the case of these other cities and a report is now being prepared to lay upon the table.

Mr. MEIGHEN: I would like to see these reports. All the consequence I have ever heard is larger and larger votes for these various harbour boards. What did they find, what was the result of all this "looking into"? We have had before our system of audit looking into the National railways and which produced to this House a statement that the same system was followed as was followed before, of keeping direct and indirect liabilities apart. Any child five years old would know that. Then they gave the system of certificate. And that is considered here as "looking into" the National railway accounts. It is not looking into it at all. Parliament has never been advised of one single achievement of that audit board except the furnishing of an illusory certificate to the minister to fool the people of Canada.

Mr. ROBB: We might as well clean that up at once—

Mr. MEIGHEN: Hear, hear.

Mr. ROBB: The certificate given this year was the identical certificate that they gave to my right hon. friend's Finance minister in 1922.

Mr. MEIGHEN: You never had them.

Mr. ROBB: But we did have them. You had Mr. Morgan who was on this audit board.

Mr. MEIGHEN: We did not have any audit board.

Mr. ROBB: Not Morgan, but the Edwards-Morgan Company; and you had from the Edwards-Morgan Company exactly the same certificate in 1922 that was tabled in 1924.

Mr. MEIGHEN: The one that was read in the House in the budget this year?

Mr. ROBB: Yes, sir.

Mr. MEIGHEN: Not at all. Why, pshaw! We did not have any audit board at all.

Mr. ROBB: Not any audit board?

Mr. MEIGHEN: Certainly not.

Mr. ROBB: My right hon. friend is wrong. Not any audit board? You called in the Edwards-Morgan Company, or rather Mr. George Edwards of the Edwards-Morgan Co., who is on this audit board. You were not satisfied with the conditions in the Auditor General's office.

Mr. MEIGHEN: Oh, very well.

Mr. ROBB: And you called in Mr. George Edwards to make an audit. He made an audit and his certificate is in the records of the department. The certificate which was filed with parliament is printed in the public accounts tabled in this House.

Mr. MEIGHEN: Very good. If we were not satisfied with the audit work being done in that special place we would get a man to go into it, review it, and make a report. That is all right. We did that and made a report of that audit. But what comparison is there between that report and the certificate the minister put on Hansard in his budget speech that the direct and indirect liabilities had been kept separate this year the same as others? That is the report I am referring to. That is apparently the whole use made of this audit board. I have no objection to this government, if they are dissatisfied or suspicious of the auditing, getting a special audit made—I not only do not oppose it, I strongly support it. But that is not the case of the audit board here, appointed on salary, with an array of duties when there really are no duties at all.

Mr. GARLAND (Bow River): I should like to suggest that the remarks which have just been made distinctly smack of a reflection upon persons in high office.

Mr. MEIGHEN: No office.

Mr. GARLAND (Bow River): They were persons who might have been described as filling high office.

Mr. ROBB: Will my hon. friend make himself a little clearer and let us know just to whom he is referring? because the reference a few moments ago to the conditions of the Auditor General's office was a reference to gentlemen who are now no longer in the sphere of office.

Mr. GARLAND (Bow River): Possibly they are holding higher office than ever. At least, I sincerely trust that that is the case. To a considerable extent I followed the reasoning of the leader of the opposition (Mr. Meighen)—

The CHAIRMAN: Will the hon. member be able to finish shortly, or does he desire to make any extended remarks?

Mr. GARLAND (Bow River): I have not any extended remarks to make.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 233 to constitute a Board of Audit.

Motion agreed to and bill read the first time.

Mr. MEIGHEN: I think we may let the second reading stand until to-morrow, so that we may have a little more amusement then.

WAR REPARATIONS FOR CANADIAN NATIONALS

Hon. A. B. COPP (Secretary of State) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to bring in a measure to make provision for the payment of claims for reparation for losses suffered by Canadian nationals during the late War, and to provide,—

(1) That the report of the commissioner appointed to enquire into and report upon the claims for reparation of Canadian nationals, upon approval by the Governor in Council, shall be deposited with the Secretary of State of Canada in his capacity as Custodian of Enemy Property;

(2) That from time to time, as sums are received on account of reparation under the Agreement of London between the Allied and Associated Powers and Germany, bringing into force what is commonly known as the Dawes plan, the amount thereof shall be paid by the Minister of Finance and Receiver General to the Secretary of State as Custodian, until such time as the aggregate of such payments is equal to the total amount of the claims for reparation as determined by the report of the said commissioner and approved by the Governor in Council;

(3) That the Secretary of State shall, on receipt of such payments, from time to time distribute the same to persons found entitled to claims for reparation in the commissioner's report, by way of pro rata dividend;

(4) That the Secretary of State shall annually lay before parliament, within fifteen days after the meeting thereof, a report of the receipts and expenditures under the proposed legislation.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): This is undoubtedly a measure of some consequence, the full purport of which should be made very clear before the resolution is adopted. The opening sentence is rather threatening, that it is expedient to bring in a measure "to make provision for the payment of claims." And paragraph (3) provides for payment. Does the minister propose that on the report of the late Hon. William Pugsley he is to be permitted to distribute assets amounting to millions of dollars in cash among those whom Mr. Pugsley thought the money ought to go to?

Mr. COPP: My right hon. friend will remember that as far back as 1918 an order in council was passed calling upon those Canadians who claimed reparation for pecuniary damages sustained during the war to file their claims with the Department of the Secretary of State for consideration. Such claims were subsequently filed and a large number of them were passed, amounting roughly to $58,000,000. After the signing of the Treaty of Versailles no reparations were paid by Germany. Subsequently at the Spa conference, consideration of this matter was taken up. Finally, in 1924 all previous action was superseded by the Dawes investigation and report, and since the Dawes plan has been submitted the German government has been paying reparations. An arrangement had been entered into at the Imperial conference in 1920 or 1921 whereby it was tentatively agreed that Germany should make certain payments to the allied powers, and of the total twenty-two per cent was allotted to the British Empire. Afterwards it was arranged that 4.35 per cent of that 22 per cent should go to Canada for reparations to Canadians. Nothing was done until, I think, some time in February, when a payment of reparations was made by Germany to the British Empire, of which Canada received her share.

Mr. MEIGHEN: How much was that?

Mr. COPP: I think it was about £135,000. Another payment is now about due. Under this resolution we are taking no power whatever with regard to the payments of claims, except to pay to the Canadian nationals pro rata from the amount we receive from Germany for reparations. That is the whole purpose of the bill. We feel that as these reparations were being made a number of the claimants were entitled to be paid pro rata as their claims had been assessed and passed upon, as fast as we received money from Germany.

Mr. J. S. WOODSWORTH (Centre Winnipeg): Can the minister tell me whether it is the practice in Great Britain to distribute these reparations to the individuals making claims?

Mr. COPP: I do not know what definite arrangements have been made, except this: Some years ago the British government passed a special vote of five millions to pay to necessitous cases. What reparations they received from Germany I do not know.

Mr. WOODSWORTH: It has been stated that when these claims were filed the purpose of the department was to secure some sort of

an estimate as to the amount upon which a claim by Canada could be based, and that it was not originally the idea that these particular claimants should receive anything. That is, that the amounts should go to the government of Canada, remain with the government and not be passed out to the individuals who had filed claims for reparations. Am I right in my understanding that that was the original idea at the time the claims were filed?

Mr. COPP: My hon. friend is absolutely right; the claimants had no legal claim upon the government of Canada for the payment of any of these reparations. These moneys are due to Canada as a whole; but we felt that as there were so many poor people, fishermen and others among the citizens of Canada who made claims, and as reparations to a certain extent were being paid by Germany, claims of those who suffered loss or damage should be paid.

Mr. WOODSWORTH: If that is the case, it seems to me this motion involves a decision upon a very important point. As I understand from the minister, in Great Britain only the necessitous cases are looked after.

Mr. COPP: Not merely those; but those that were looked after some years ago.

Mr. WOODSWORTH: But the minister can give us no assurance that the reparations secured under the Dawes plan are being applied generally. As regards Canada, it may be true there are certain necessitous cases here of fishermen and so on which are deserving of consideration, but there are other claims that come from people who are not in need. We have not the statement before us, but I imagine the greater part of the claims come from people who claim to have suffered loss but who have abundant means. It would seem as if, when we consider the war with its disastrous effects upon the whole community, there is no reason why one particular group of the community, and perhaps not the most needy or those who have suffered the most, should immediately have their claims paid. I cannot see why the funds should not remain with the government of Canada, and if certain parties are in need because of trouble arising directly out of the war, their claims should be dealt with individually on their merits. But it would seem to me a very serious thing at this stage that we should be asked to pay, so far as we can in full, a particular group that suffered directly in one particular way in the war, and make no provision for a large number of Canadians who suffered a little less directly but perhaps none the less severely.

Mr. SPENCER: Who is standing the expense of collecting and disbursing the funds?

Mr. COPP: The commission which has been doing the work will be paid out of the credit of the Finance department. The money received from Germany will be paid to the High Commissioner's office and any expenses that are paid out of the reparations fund are being paid by Germany.

Mr. MEIGHEN: Does the cost of the commission come out of anything except the treasury of Canada?

Mr. COPP: Oh no, I did not say that.

Mr. SPENCER: That is what I wanted to know. I do not see why the taxpayers of Canada should be taxed to collect debts for individuals, when the whole people of Canada in many ways lose so heavily from the war.

Mr. MANION: May I ask the Secretary of State how much money was brought into the treasury of Canada by the confiscation of German property? A great deal was confiscated. Has it been sold, and how much has been realized?

Mr. COPP: I could not say. A great deal of it has been sold. All the property belonging to German nationals which has been sold is property held by Canada as custodian. This provides for the money paid now by Germany under reparations and it has nothing whatever to do with the German property we are holding and dealing with as custodians.

Mr. MANION: What are we going to do with the money we get from the German property?

Mr. COPP: I do not know. It is a matter of policy. This belongs to the German nationals, and we are only dealing with that collecting and paying debts, and so on, as provided by the treaty. We as custodians must give an account of the fund. With reference to our policy in regard to any balance there may be left belonging to German nationals, whether that should be applied to reparations is a question to be decided hereafter.

Mr. COOTE: What is the total amount of claims which the commission has allowed up to this time?

Mr. COPP: I have not the exact amount, because there are a number of cases in which evidence was taken by the late Dr. Pugsley that have not been actually decided. The

claims amount to about $58,000,000. A large number of claims were heard and I think decisions have been given in reference to claims amounting to seven or eight million dollars. A number of claims are still outstanding and have yet to be heard and decided.

Mr. COOTE: Who is acting as commissioner now?

Mr. COPP: A successor to Dr. Pugsley has not yet been appointed.

Mr. COOTE: Nothing is being done with regard to the claims at the present time?

Mr. COPP: A successor will be appointed who will continue the work.

Mr. MEIGHEN: Does the minister think there is such a thing as a successor to Dr. Pugsley?

Mr. STEVENS: I wanted to ask the minister a question, but I apprehend it will be out of order to ask questions until we go into committee of the Whole. I will wait.

Mr. MEIGHEN: If the motion is adopted it will be in the face of my protest. This is merely requesting the government for authority to pay out millions of money as a first charge on reparations, on the mere say-so of him who, unfortunately, now has passed away, but who was for many years a close associate of the government themselves. It is a measure of far-reaching consequence, and that it should be brought in at this stage of the session and sought to be precipitated through along with many others seems to me a disgrace to this House. I for one lodge my protest, and lodge it now. Under what rule of equity, or reason, or fidelity to the public interest, are millions of money to be paid out merely on the dictum of a commissioner? Possibly he had some practical duty to perform in investigating certain facts and saving the time of a duly constituted court; but here was a commissioner acting under the authority of, subject to the will of, dismissible on the whim of, the government in office, —and we are asked to act now on the assumption that he was a final judge in appeal as between the treasury of this country and certain claimants to vast sums of money. Is it right? I know of no other country that has done any such thing. I do not know what the nature of these claims is. I do not doubt some of them are good. I am not going to speak arbitrarily on the priority right of these claimants. It may be they have it; I doubt it I want to say now, I doubt very much if special claims for damages due to the war are in priority to the state itself—the damage of the state. Reparations are not paid in respect of the special damage of the individuals of a country; they are paid in respect of the damage of the nation itself. Now this government asks us to take the dictum of the late Hon. William Pugsley, grant the priority of claims that he has allowed, pay the money out—money paid to Canada as reparations of the war—to these claimants, and lose the whole of it so far as the general taxpayer is concerned. These vast sums are all to be paid to individuals. And more—because no doubt these seven or eight millions are just a beginning—we are called upon to decide to-day what course we are going to take as to the whole career of this thing. As for me, I am firmly against it from the beginning. I will protest against its passing, this session in particular.

Mr. G. G. COOTE (Macleod): Mr. Speaker, from the little information which we have been given I feel I should oppose the principle which is involved in this resolution. I do not think this House is justified in paying out all the money they may receive from reparations to individuals whose claims have been allowed by this commissioner. At this late stage of the session I do not think there is any use wasting a great many words over it, but there is a question of principle here which should be decided, and speaking for myself I am very much opposed to the principle set forth in the resolution.

Hon. R. J. MANION (Fort William and Rainy River): Mr. Speaker, it certainly does seem strange that the money we get in our first reparations should be paid out to individuals, no matter who they may be. I must confess that I had the impression that German property which we held in this country was to be used for that purpose. It is absolutely new to me that the reparations which we get for the calamity of the war, for the catastrophe through which we have passed and the suffering which we have sustained, should be handed out to any individuals, be they ever so deserving. It would seem that the money we get in reparations is for the benefit of the taxpayer generally in this country. I say it subject to further thought, because I must say I had not read this resolution until to-day, but it seems to me we should use that money for the benefit of the general taxpayer rather than for any individuals who may have suffered losses and yet who may have been able to stand them a great deal better than those who lost their

limbs or were otherwise disabled and perhaps are getting a very small pension, to say nothing of those who lost their lives. I believe the government would be well advised, in a matter of this importance, while accepting the money, of course, to hold it until parliament has had further time to discuss the whole question.

Mr. MACLEAN (York): Have all claims been put in?

Mr. COPP: We have not received any new claims for some time.

Mr. MACLEAN (York): Would further claims be accepted if now put in?

Mr. COPP: Oh yes, we would accept them any time.

Mr. BOYS: Has the minister a list of the claimants with the amounts actually adjudicated upon?

Mr. COPP: Not here, but I have it in my office.

Mr. BOYS: Does not the minister think we should have that before passing upon the resolution?

Mr. COPP: I shall be very glad to get that. I thought, however, we could get into committee and report progress. The information can be furnished.

Mr. BRISTOL: Are there any German assets here now? Or have we returned any to the Germans?

Mr. COPP: No, we have not returned any to the Germans.

Mr. H. A. STEWART (Leeds): Mr. Speaker, I think the objections urged against this resolution are unanswerable, but there is another which now occurs to me, namely, that there should be no distribution of this fund until all claims are adjudicated upon. The effect of any distribution in the meantime would be to give some an advantage over others. We ought to know the particulars of all the claims and the full amount of each, we ought to know the full amount involved in all these claims, before any distribution is made or before deciding what should be done with the money.

Mr. E. J. GARLAND (Bow River): There are, I think, two major principles in this bill to which I object. The first is that the parliament of Canada is not to be consulted at all as to the payments which shall be made, to whom made and upon what grounds made. The second objection I have is that the reparations received by the Dominion of Canada are to be paid over, without consulting parliament, to private individuals, without those individuals having been called upon to pay their share of the cost of administration. Both these principles are unsound, in my opinion. I submit that the minister would be well advised to withdraw this resolution for the time, or at least to let it stand until he takes the matter into more mature consideration. I submit, first, that none of this money received on reparations should be paid to any of these individuals who have not suffered extreme hardship as the result of the war; secondly, that it should only be voted after parliament has adjudicated upon it. thirdly, as the hon. member for Leeds (Mr. Stewart) has said, that there should be a full settlement before the courts, or, shall I say, better still, that all cases should be adjudicated upon and found just, before any of the money is voted.

Sir HENRY DRAYTON (West York): Mr. Speaker, I rise in the first instance to protest against the introduction of this legislation at this stage of the session. Some days ago notice was given that we should hear something about the receipt of this money in respect of reparations, but I did not hear anything said about its disbursement. Now we are suddenly called upon, at a time when we cannot give proper consideration to the matter, to decide the payment of millions—because we do not know how many millions we shall be called upon ultimately to authorize the payment of. Further, we have absolutely no idea as to the principle under which the money will be paid out—not the slightest idea. What is the reason for this rush? What is the reason for the sudden adoption of an absolutely new policy, so far as this House is concerned, in connection with this question of reparations? It is new. We have the admission of the minister in reply to a question put to him that this is entirely different from the original idea of expenditure in connection with reparations. There may be particular cases where the individual, as an individual, should be looked after, but the principle should be established. How far are we to go in this sort of an endeavour? Has the state no rights? Is all our machinery simply for the purpose of collecting private debts? We have got machinery and we are paying for it; we are paying for everything that is being done in connection with the different methods under which the amount of this money is arrived at and collected. We are also paying for the services of the commissioners, and there was more than one. And

the whole thing is to be left to the ipse dixit of these commissioners free from all principle settled by this parliament for their guidance.

The armistice took place in 1918. The settlement of the reparations has been going on with more or less activity all these years; and we are now asked to pass upon the novel feature embodied in this bill in the dying days of the session. It is something that no house of parliament should be asked to do at such a time. It is something, I think, which is entirely unheard of. I point out to my hon. friends that they are in no difficulty at all as matters stand. They do not want this legislation unless they have discovered some immediate necessity to pay money to somebody. They have the right to receive moneys and they have received moneys. Just think of any government coming down here and saying that they required legislation for the purpose of receiving moneys! Just think that they require legislation for the purpose of saying that the report of the commissioner upon the claims for reparations, shall be deposited with the Secretary of State. What a tremendously important legislative enactment that is! The whole thing is ridiculous. It is just so much—well I do not know what to call it. It is suggested that I may call it "eyewash," but I do not know that I like the term. It is merely window dressing and nothing else. Where else would the report go except to the office under which the commissioners work? What is the necessity for having an act of parliament to say that instead of the moneys being held by the treasury in the ordinary way they shall be held by the Secretary of State? It is just so much window dressing, and even if there was any real change contemplated, it would not make any difference. There is only one object in the whole of this legislation and that is to be found in subsection 3, which as I say gives the opportunity to the government to pay somebody who is making some demand for money at this particular time. I do not want to delay the House, but I submit that in all reasonableness the government ought to withdraw this resolution. No harm can result to anybody from its withdrawal. The existing rules will stand just as they are. But if the resolution be withdrawn, and if before this legislation is re-introduced a final report is brought in from the different commissioners showing the facts on which special claims are sought to be established, the House will then be in a position to at least lay down some principle, and to say under what conditions the moneys of the people shall be taken from them.

Hon. H. H. STEVENS (Vancouver Centre): I thought at first that I would wait until we got into committee before asking the minister some questions, but so many have been asked that I think I have now pretty well the light I have been looking for in connection with this resolution. I want in a very brief manner to express my views and my opposition to the measure passing at this time. In the first place it is a resolution to make provision for the paying out of these reparations. It is making such provision before any decision in a complete form has been arrived at as to what the claims are and to what degree they are justified. That is my first objection. My second objection is that it is authorizing the transfer of very large sums of money, occasionally as they come to hand, from the Dawes Commission to the Canadian government, and the transfer of these moneys from the Receiver General and the Minister of Finance to the Secretary of State. I ask myself the question, and I think it is a pertinent one, whether or not the payment of these moneys by the Receiver General to the Secretary of State will not answer all the necessities of the Audit Act and the Auditor General will have nothing more to say about any further distribution of these funds. That appears to me to be the effect of one clause. In other words, the distribution of these funds will be removed from the scrutiny and control of the Auditor General. Then the third section of the resolution authorizes the Secretary of State to proceed to disburse these funds. I think that ought to be done only after a report to parliament on the claims and a careful consideration of them. Then I object to the inclusion of the word "expenditures" in the last clause. I have no objection to the Secretary of State reporting annually to the House, as to the minister, but I do object to the word "expenditures." I therefore desire to place myself on record as being opposed to the principle of this resolution. I contend that there is no need for such legislation at this session; that the Minister of Finance and the Receiver General are now authorized to receive these moneys, and can receive them without any order from this parliament. The Secretary of State under previous legislation, has all the powers that he requires to investigate these claims and until the claims are fully investigated and brought before parliament I do not think we are justified in authorizing the distribution of the funds.

Mr. A. J. LEWIS (Swift Current): I rise in protest against this resolution at this particular time. It does seem to me that we have not the proper opportunity of studying the situation within a week of when we may expect the session to close. Moreover, we have not been given definite information in regard to those who claim moneys which are proposed to be paid out of this fund. It does seem to me that not only shipowners have the right to claim money under this resolution, but what about those people like the soldiers and their dependents? They have lost homes and their loved ones in the war, and it does seem to me that humanity is of more importance than the material wealth of shipowners or of anybody else who has lost money or other material possessions. What about the nation's cost of the war? Are we as a nation going to put in our claim, and have damages distributed pro rata under this agreement? I think before we pass on this resolution we should first have definite information as to what the government intends to do. I think we should also have a list of all the claims so that we may know among whom this money is going to be distributed. For these reasons, if this comes to a vote, I shall vote against the resolution.

Mr. WILLIAM IRVINE (East Calgary): I think it is unfortunate that at this stage the minister should waste the time of the House by refusing to withdraw this resolution, after he has been apprised of the difficulties that he is bringing upon the administration, both present and to come. I think that he has been sufficiently advised already to have warranted his very speedy withdrawal of the resolution. I trust that if he has not come to that conclusion, he will do so before I am done.

I wonder if the minister would care to answer me a question as to the amount which this government have already received from the reparations fund. Has the government received any amount from that fund? Perhaps the minister does not know, or may not wish to answer. Personally I doubt whether we will be very much troubled with any large amounts. Some hon. members have expressed the opinion that we may be called upon to disburse many millions. If we have to depend on receiving reparations from the countries of Europe, I do not think we will be overburdened with moneys to distribute. But even if we were, it does not affect the principle at all; I do not think it is possible for any body of men to arrive at a sure and just decision as to who should be reimbursed for losses during the war. If there are millions to come under the Dawes provision, I think that money should go against the national debt.

[Mr. Stevens.]

If it does not fit in there, there is another place where it would fit in admirably; it should go to augment the pensions of the wounded soldiers and war widows. That, I think, is a much more reasonable and a much more deserving cause than simply to ask a politician to hand out hundreds of thousands of dollars to individuals who may be needing money or may be able to establish some claim that they ought to get something. I think most of us could establish a claim if we wanted to make the effort. I therefore associate myself with the hon. gentlemen who have expressed so unmistakably their objections to this resolution, and I trust that the minister will withdraw the resolution so as to save the time of the House.

Hon. E. M. MACDONALD (Pictou, Minister of National Defence): Unfortunately I was not in at the beginning of this discussion, but from what I have heard from hon. gentlemen in regard to this resolution, apparently the real facts in connection with this matter are not understood.

The moneys which come from the Dawes commission, so called, are payable under the terms of the treaty of Versailles for certain definite purposes. They cannot be put into the treasury of the country and appropriated for other purposes than those for which they are paid. The compensation is paid in connection with the following list of cases:

1. Damages to injured persons and to surviving dependents by personal injury to or death of civilians caused by acts of war, including bombardments or other attacks on land, on sea, or from the air, and all the direct consequences thereof, and of all operations of war by the two groups of belligerents wherever arising.

2. Damage cause by Germany or her allies to civilian victims of acts of cruelty, violence or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, interment, or evacuation, of exposure at sea, or of being forced to labour), wherever arising, and to the surviving dependents of such victims.

3. Damage caused by Germany or her allies in their own territory or in occupied or invaded territory to civilian victims of all acts injurious to health or capacity to work, or to honour, as well as to the surviving dependents of such victims.

4. Damage caused by any kind of maltreatment of prisoners of war.

5. The cost of assistance by the governments of the allied and associated powers to prisoners of war and to their families and dependents.

6. Damage caused to civilians by being forced by Germany or her allies to labour without just remuneration.

7. Damage in respect of all property wherever situated belonging to any of the allied or associated states or their nationals, with the exception of naval and military works or materials, which has been carried off, seized, injured or destroyed by the acts of Germany or her allies, on land, or sea, or from the air, or damage directly in consequence of hostilities or of any operations of war.

8. Damage in the form of levies, fines and other similar exactions imposed by Germany or her allies upon the civilian population.

Mr. MEIGHEN: Will the minister say what he is reading from, and then read the portion immediately before those enumerated classes of damages?

Mr. MACDONALD (Pictou): This is a memorandum from the Under-Secretary of State, and it sets out the clause from the treaty of Versailles which provides the lines upon which compensation can be obtained from Germany and the amount of money that is payable to this country as a result of what is known as the Dawes report, on account of damages arising in these various categories.

Mr. WOODSWORTH: Yes, but is it not true that the Under-Secretary of State definitely asserts that while this is the basis upon which the reparations are to be collected, there is nothing whatever in the provisions of the treaty to say that these amounts should be turned over to the individual men and women who have had losses?

Mr. MACDONALD (Pictou): He does not say so. My hon. friend I think misapprehends the situation. As a matter of common law, moneys received by expropriation or otherwise are not payable directly to the individuals for damages they have received. The British government appropriated some £5,000,000 for this purpose, pending the receipt of moneys from Germany by way of compensation. The late government in this country appointed Sir Douglas Hazen as a commissioner to investigate claims in this country. Sir Douglas Hazen decided to resign, and Hon. Doctor Pugsley was appointed in his place. He proceeded to hold hearings throughout the country and to ascertain what portion of the claims that had been filed, and filed under the previous government, I presume, as well as under this, came in these various categories. He held a great number of hearings, and has made his report on practically two-thirds of all the claims that were made; and the principles which he settled in the cases which he decided would probably apply, I understand, to the easy determination of all the other claims.

Now the question is whether the country should say that we will not give compensation to those who suffered, to the relatives of those Canadians, for instance, who went down in the Lusitania. I have in mind the case of a lady from my constituency who now lives in Vancouver, who had a claim filed with the late Dr. Pugsley, for the loss she suffered on account of her husband having gone down with the Lusitania. I have heard and know of about a dozen small schooners that were sunk off the coast of Nova Scotia by German submarines and that belonged to poor people who lost everything they had in the world by reason of their destruction. Where we have cases such as these, and where money is paid to this country on account of these grounds as set out in the treaty of Versailles, it seems to me—and I understand this was the policy of the late government as well—that we should recognize the rights of our citizens to receive some compensation when it comes from the country which caused those injuries and when it is paid to us on account of them. That is the whole point.

Mr. STEVENS: Do I take it that the minister intends to convey to the House the idea that the sums of money turned over to the government under the Dawes plan on account of reparations, and referred to by the Secretary of State, were determined or fixed on the basis of claims that were being considered and reported upon by the late Mr. Pugsley?

Mr. MACDONALD (Pictou): No. This is the position—

Mr. STEVENS: Then, how can the minister argue that we must consider this fund as sacred to these claims?

Mr. MACDONALD (Pictou): The money is being paid to Canada by Germany on account of Germany having done these things which are set out in the treaty of Versailles and which she ought not to have done.

Mr. MEIGHEN: And many more things. I was present myself when the computation was made. We had to compare our losses with those of Australia, Great Britain and other countries, and we based our comparison on many elements. One was liability for pensions. That is the state's claim and it has nothing to do with these individual claims.

Mr. STEWART (Argenteuil): Does my right hon. friend mean pensions paid to all injured soldiers?

Mr. MEIGHEN: Not the exact number of dollars we were paying in pensions. If I remember rightly, the pensions as respects all the dominions were taken on the French scale —it did not matter what scale they were on, so long as they were all on the same scale; the French scale was adopted in order to see how one country compared with another in pension liability. Many more elements entered into the estimate of what the war loss was with a view to each getting his proper

share of the reparations. It seems to me astounding that we should now go on the say-so of a commissioner or of anybody else, even of a court, and authorize priority to individuals over the position of the state.

Mr. MACDONALD (Pictou): The proportion of which my right hon. friend speaks fixed Canada's share in the 22 per cent which was apportioned to the British Empire, at 4.35 per cent.

Mr. MEIGHEN: Yes, and Australia the same.

Mr. MACDONALD (Pictou): Do I understand my right hon. friend to take the position that Canadian subjects who suffered by reason of acts of Germany and who are in the class mentioned by myself, should not receive any portion of this money?

Mr. MEIGHEN: I did not say so. I should not like to say finally and definitely that they should not have some priority, even priority as is set forth in this resolution, until I see what is done by other countries. But there is nothing to put them ahead of the state's claim for pensions, and this resolution, if it passes, gives them the first place all round. Until their claims are fully satisfied, all else has to stand aside.

Mr. MACDONALD (Pictou): Then the upshot of the right hon. gentleman's position is, that he does not think Canadians who were injured by those improper acts of Germany should receive their money.

Mr. MEIGHEN: I do not say so.

Mr. MACDONALD (Pictou): If that is not his position, I do not know what it is, because he says that everybody else must be paid and the state must be paid first.

Mr. MEIGHEN: I did not say that.

Mr. MACDONALD (Pictou): Great Britain has recognized the fact that individuals who have suffered should be compensated, for the British parliament has appropriated £5,000,000 for that purpose.

Mr. WOODSWORTH: Is there any evidence to show that Great Britain is distributing one cent in this way?

Mr. MACDONALD (Pictou): She is anticipating by appropriating in parliament two years ago £5,000,000.

Mr. WOODSWORTH: Does the minister suggest that this amount of £5,000,000 anything like compensates all the people of the United Kingdom who have suffered injury on account of the war?

[Mr. Meighen.]

Mr. MACDONALD (Pictou): No; but you cannot do everything at once, and they dealt with necessitous cases by voting that money. No money had been coming from Germany in the meantime.

Mr. MANION: Would the hon. member consider for example that the mother of a couple of boys who went over there and were killed, who is barely living on a pension, having a difficult time getting along at all, whereas before the boys went over there she was in good circumstances, has not a better right to get something of this than a shipowner who lost a cargo of grain, who did not happen to have it insured, and who has a claim against Germany? There are thousands of such cases in this country.

Mr. MACDONALD (Pictou): That sounds very nice; but the situation is simply this. The country has fixed the pension amount that has to be paid in sad cases of the kind described and I assume that it is dealing with them in a proper way. This matter is a very complicated one, and I can
4 p.m. quite see that hon. gentlemen would require a great deal of information which it is rather difficult to give as this could not have been anticipated. In order that the matter might be fully considered, I would suggest to my hon. colleague that he withdraw the motion.

Mr. COPP: I regret very much that my hon. friends, particularly the hon. member for West York (Sir Henry Drayton) and the leader of the opposition (Mr. Meighen) have risen in righteous indignation because this bit of legislation is brought down in the interest of those who have suffered during the war. If they had the full information that I have and knew the very large numbers of poor people, fishermen particularly, on the different coasts of this Dominion who have suffered—

Sir HENRY DRAYTON: It is a pity the minister would not give us the information.

Mr. COPP: I asked that the resolution be allowed to go into committee when I would give the information to hon. gentlemen opposite. As regards the government and myself, we had no motive whatever in bringing down this legislation other than to do justice to a number of our citizens who have claims for German reparations filed in the department of the Secretary of State for the past seven years. We believed it was in the interest of the country that we should take this opportunity of giving some little consideration to those who suffered damage during the war. Germany is now going to

pay under the Dawes plan, but we have not asked this country to pay one single cent by way of taxation for this purpose. I regret that hon. gentlemen on both sides opposite have raised objection to this measure. It is said that we should not on the say-so of some commissioner take the action which is now proposed. But surely hon. gentlemen know that this is the only reasonable way in which a matter of this kind can be investigated and any sound decision reached. Personally I have no desire at this stage of the session to force upon the House any proposal to which hon. gentlemen are so strenuously opposed. It never occurred to me for a moment that there would be any opposition to this resolution. I am sure that if hon. gentlemen were acquainted with all the facts they would not object to extending to citizens in various parts of the Dominion such treatment as they are undoubtedly entitled to. However, in view of the decided temper of the House against the resolution, I beg for leave to withdraw the motion.

Motion withdrawn.

EXCISE ACT AMENDMENT

Hon. P. J. A. CARDIN (Acting Minister of Customs and Excise) moved that the House go into committee to consider the following proposed resolution:

That it is expedient to amend the Excise Act, chapter 51 of the Revised Statutes, 1906, and to provide that a license to stem Canadian raw leaf tobacco may be granted to any person who has complied with the act and regulations, on payment of the sum of two dollars, whether such license has a full year or part of a year to run from the date when it is granted; and that the minister shall have power to make such regulations as he deems necessary or advisable for carrying out the proposed legislation.

He said: As the law stands at present, no raw leaf tobacco may be stemmed except under a manufacturer's license.

Mr. FORKE: What is the process of stemming such tobacco?

Mr. CARDIN: It is simply to remove the stem from the raw leaf. As I say, only under a manufacturer's license may such tobacco be stemmed at present, and we wish to extend the license to growers of tobacco at a lower fee. That is the only object of the legislation.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

Sir HENRY DRAYTON: So far as our revenues are concerned, this is an exceedingly sensitive business. I remember telling the Minister of Finance (Mr. Fielding), when we went out of office that if he raised the rates he would get less revenue. The right hon. gentleman was naturally anxious to get as much revenue as possible, but he thought I did not know what I was talking about. He raised the rates and got less revenue. We must bear in mind the difference between the man who can be policed and so looked after and the man who cannot. The purpose of the law has been so far to safeguard the national revenues in this matter. Are we going to lose revenue by this new proposal? We have the growers on the one hand and the manufacturers on the other, and if anything can be done to increase the profits of the grower of tobacco it is unquestionably a good thing so long as the state does not suffer unduly. But this legislation is not confined to growers and manufacturers; it is not intended to further the interests of the grower as such. We are now proposing to give the license to anybody at all. Is that what the minister intends to do?. Does he mean that anyone who is neither a grower nor a manufacturer may handle tobacco, which is subject to excise rates, without proper supervision on the part of the government? In other words, I want to know whether any third person is to be taken care of under this legislation. I notice that the minister requires regulations to be made to put this law into effect. What is the nature of those regulations?

Mr. CARDIN: The object of the regulations to be made will fully protect the interests of the department. This legislation has been requested by the tobacco growers. At the present time they are unable to stem raw tobacco without securing a manufacturer's license at a cost of $50, and we are asking parliament to provide for a license of $2. My information is that this legislation will not materially reduce the revenues of the country. The export of stemmed tobacco has increased rapidly within a few years. In 1923-24 we exported 2,055,000 pounds and in 1924-25, 3,531,422 pounds. The value of the export in 1923-24 was $375,000 and in 1924-25 $733,000. This industry is developing and we want to facilitate the operations of the tobacco growers without putting them to too much expense.

Sir HENRY DRAYTON: Will this legislation be confined to the growers or may anyone get the license?

Mr. CARDIN: As the resolution stands, it will cover everybody.

Sir HENRY DRAYTON: Does not the minister intend it to apply only to the growers? If so, the resolution should be framed accordingly.

Mr. CARDIN: I do not think that matters would be seriously affected if the legislation were passed as it stands. At all events we can, by regulations which will be made, safeguard the position of the board and make regulations to protect the board.

Sir HENRY DRAYTON: Will the minister indicate clearly whether he intends to have more than two classes, the growers and the manufacturers proper?

Mr. GRAHAM: The ex--Minister of Finance (Sir Henry Drayton) referred to Inland Revenue. Up till about two years ago I think there was an amount of five cents per pound imposed on the growers. That has been removed. The tobacco growing business in Canada expects to take on new life on account of the preference given to it by the British government, and at the present Wembley exposition special attention is being paid to the tobacco exhibits, which are in charge of practical tobacco men. This situation has arisen. In the tobacco growing centres there are certain manufacturers who have their local agencies, and the selling at present is done by manufacturers who have to take out a large license at a large fee. The market that is opening up for the raw leaf for export has brought about a condition in which the growers feel that they ought to be permitted themselves to take out any license they like, to stem out their own tobacco and ship it out for export.

Sir HENRY DRAYTON: No objection to that.

Mr. GRAHAM: That is the object.

Sir HENRY DRAYTON: It says "persons," not "growers."

Mr. GRAHAM: Suppose we have a combination of growers—and we have co-operative societies—

Sir HENRY DRAYTON: They are growers still.

Mr. GRAHAM: Suppose they select a man to carry on their selling and he has a license—

Sir HENRY DRAYTON: He would be doing it as an agent for the grower.

Mr. GRAHAM: It ought to be confined to a grower or the representative of a grower, because there would be nothing to be gained by doing it in any other way. I am very familiar with the tobacco interests, as the riding I represent is a great centre for tobacco growing, and all the latitude required ought to be given to the growers to get in touch with the dealers in raw tobacco in the Old Country, and this measure is intended to give the growers the full power to prepare their tobacco by stemming it for the best export market.

Mr. COOTE: Would the minister explain why it is necessary to forbid stemming without a license? Why does the government want to control this?

Mr. CARDIN: The idea is to control the establishment in which the stemming is done, or to know who is doing the stemming.

Sir HENRY DRAYTON: It really is more than that. I have had to do with looking after the business end of it. What we are anxious to do here is to provide that we get all the taxes we can out of the tobacco. As a tobacco user, and a constant one, I am a tremendous contributor to the revenue. In some places they send out inspectors to count the leaves on a plant, and every movement is followed. In France every leaf is counted and a check is kept on them.

Mr. GRAHAM: They are very strict there.

Resolution reported, read the second time and concurred in. Mr. Cardin thereupon moved for leave to introduce Bill No. 234 to amend the Excise Act.

Motion agreed to and bill read the first and second times and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—License to stemmers of tobacco.

Sir HENRY DRAYTON: I suppose we might take the whole bill together, as there is just the one point in it. Are the ministers serious in saying that they are not erecting a new third class?

Mr. GRAHAM: No: Oh no.

Sir HENRY DRAYTON: And this is only for the grower?

Mr. GRAHAM: Yes.

Sir HENRY DRAYTON: The bill does not say that. It is improperly worded, and I say they cannot by regulation restrict the plain straight wording of the act and cannot say how it is to be carried out. They can surround it with safeguards in their regulations, but they cannot limit the definition of those particular words, and cannot by regulation say that any person is only a grower. I do not want to delay things at all, but I know there is going to be a good deal of trouble in connection with the revenue unless this point is looked after. There will be a whole lot of difficulty if some favourite individuals who are

neither growers nor manufacturers are allowed to get licenses for a nominal price, while others have to pay the full price before going into the business.

Mr. CARDIN: I would not object to changing the word "person" to the word "grower" or "representative".

Sir HENRY DRAYTON: Or "grower's agent". We want to make it so that it will be clear the country is not going to lose a lot of money on this thing.

Mr. FANSHER: Will this make it possible for one agent to act for a number of growers under this license?

Mr. GRAHAM: I think it would. Suppose there were half a dozen growers, neighbours, and they want to stem their own tobacco and ship it direct, or sell it stemmed to an agent here; they could select a man who would take a license—in effect they would stem their own tobacco.

Sir HENRY DRAYTON: Because he was agent for one would not prevent his being agent for another?

Mr. GRAHAM: I would not think so.

The CHAIRMAN: The clause as amended will read as follows:

A license to stem Canadian raw leaf tobacco may be granted to any grower or his representative who has complied with the provisions of this act and regulations thereunder.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

CUSTOMS ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. P. J. A. CARDIN (Acting Minister of Customs and Excise) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 145, to amend the Customs Act.

Sir HENRY DRAYTON: Explain.

Mr. CARDIN: In the bill we passed it is provided that if any person smuggles goods, being of a value under $200, or makes or passes or attempts to pass any false or forged invoices of any goods of whatever value, or in any other way attempts to defraud the revenue by avoidance of the payment of duty, such goods if found shall be seized and forfeited without power of remission. The Senate has struck out the words, "without power of remission," to keep the power of remission in the hands of the minister in cases of that sort. But the amendment goes further than that; it states that such forfeiture of goods shall be made without power of remission in the case of offences under paragraph (a) of this subsection. Paragraph (a) deals with smuggling.

Motion agreed to; amendments read the second time and concurred in.

SUPPLY

PUBLIC WORKS

The House in committee of Supply, Mr. Gordon in the chair.

Public Works—chargeable to capital—public buildings —Ottawa parliament building, $330,000.

Mr. KENNEDY (Glengarry): Is this all for the tower?

Hon. J. H. KING (Kootenay, Minister of Public Works): Of this $250,000 is a revote. I think this will see the end of the construction work that has been going on over a period of years.

Mr. KENNEDY (Glengarry): Will the minister give the particulars as to the tower?

Mr. KING (Kootenay): Bronze dials for the clock, $8,461; glass for dials, $700; clock, four dials, and carillon of fifty-three bells, $63,930; automatic player for carillon, $6,000; work in connection with installation of clock and carillon, $12,000; sheet metal work in tower, $8,437; steel flag pole, $1,400; slate louvres, $2,123; short rise elevator, $4,900; total, $107,591.

Mr. KENNEDY (Glengarry): How are the bells to be got into the tower?

Mr. KING (Kootenay): Provision is being made for that without restaging. They will be taken in at the back and lifted up.

Mr. LOVIE: Will this entirely complete the tower?

Mr. KING (Kootenay): Yes. The masonry, carving and so forth in the memorial chamber —$121,000 is for that part of the tower. The other expenditures are miscellaneous, such as post office fittings; pointing stone work in entrance hall and tower, special lighting fixtures; asphalt roads; grading and sodding, architect's fees, and contingencies. Special lighting fixtures will amount to $30,000. We may make some improvements here and there and get along with what we have this year without undertaking to complete the lighting plans. However, the estimate is there.

Sir HENRY DRAYTON: I wonder if the minister would not consider the withdrawal of most of these items.

Mr. KING (Kootenay): No.

Sir HENRY DRAYTON: At the present time what possible justification is there for us spending $63,930 in bells?

Mr. KING (Kootenay): I think there is every justification in the world for it.

Sir HENRY DRAYTON: If my hon. friend thinks there is no use in my appeal at all, if regardless of our finances he thinks he has to have rings on his fingers and bells—well, we will not go on with the rest. The sheet metal work has to be put in the tower but—

Mr. KING (Kootenay): We have an excellent tower that lends itself to bells of that character, and if they are not installed now it will cost a great deal more later on. The stage and everything is arranged, and the installation can be made much more cheaply at the present time than in three or four or five years from now.

Mr. LUCAS: When does the minister expect to have this installation completed?

Mr. KING (Kootenay) In June or July next year.

Mr. LUCAS: I understand this will complete all the building. Can the minister give us the total cost of the building to date?

Mr. KING (Kootenay): Approximately $12,027,000.

Mr. GARDINER: What will be the total cost of the tower when completed?

Mr. KING (Kootenay): I have not that separately, but it could be worked out in the department, if necessary.

Mr. COOTE: How much was spent on the building last year?

Mr. KING (Kootenay): Last year, $338,000.

Mr. GARDINER: I remember we passed a vote of something like $600,000 for that purpose last year. Was not the balance used?

Mr. KING (Kootenay): We are revoting $250,000 of the unexpended amount last year.

Mr. COOTE: Will the main entrance be fenced off next year?

Mr. KING (Kootenay): I hope not.

Mr. COOTE: How many bells are to be put in the tower?

Mr. KING (Kootenay): Fifty-three.

Mr. KENNEDY (Glengarry): What is the size of the largest one?

Mr. KING (Kootenay): Eight tons.

Mr. KENNEDY: How much of this vote is for the memorial tower?

Mr. KING (Kootenay): One hundred and twenty-one thousand dollars.

Mr. COOTE: Who is going to ring the bells? Have you a man here who is qualified?

Mr. KING (Kootenay): Not yet.

Mr. GRAHAM: It depends on what government is in.

Sir HENRY DRAYTON: What is the estimated cost of a bell ringer to run the carillon?

Mr. KING (Kootenay): About $2,000 a year.

Mr. GRAHAM: Perhaps you could use Carillon power for that.

Sir HENRY DRAYTON: We would then be using at least some of that power locally; we would have it here anyway. Seriously, I think the government should reconsider some of these items. They are purely gold paint and luxuries. Diamonds are a first-rate thing if you can afford them, but we cannot, the country simply cannot stand it, more particularly in view of the votes that have been pushed through this House. The country simply cannot stand further expenditures that do not mean anything to us in return one way or the other. Just take, for example, that one item in this vote which we had up before, for ornamental lighting. Special lighting is to cost us $30,000. Cannot we get along with the lighting as it is now? We have lighting far better here than most of the ratepayers in this country have anywhere. Are not the ratepayers paying pretty nearly enough as it is now for comforts and luxuries around here without this further expenditure? The government are making great claims outside about economy and the like, and here they are spending $30,000 more just under the head of special lighting. I seriously appeal to the government to reduce this vote.

Mr. COOTE: I would like to second that appeal. We surely ought to be able to do without any extra lights here for another year. If we are going to have money enough to take care of all these items and those contained in the supplementaries, we shall have to save a little here and there as we go along. I really think the government might cut out this extra amount for lighting, and also cut out the amount which the minister has here for carvings. I think there is too much money being spent on carving stone around the parliament buildings. We can get along just as well without it.

Mr. KING (Kootenay): I think probably my hon. friend is unnecessarily worried. This is the national building of Canada, and it would be a disgrace if the people of Canada did not complete this building. Canada is not in such a shape that we cannot complete our own national building. It is a handsome building, and it is going to be a great credit to the people of Canada. Why do my hon. friends suggest that we should not go on with the carving and masonry work in the memorial chamber? I am sure if my hon. friend would go down to the shop where this carving is being done and see the nature of the work, and what is going to come out of the work when it is placed in the memorial chamber, he would hold up both hands for the completion, because it is going to be of great interest to him and to the people of Canada, as well as to visitors who come to this country.

In regard to the lighting, we have not hurried in the matter, but this building is nearing completion. I do not propose to put in extravagant lighting, but I think in fairness we should have the estimate voted, leaving it to our judgment as to what should be gone on with. In the Senate there are only temporary fixtures at the present time. There is an important chamber of this parliament, and are we to say that we are not going to light that chamber properly, but let it use lights such as one would probably use in his home? I do not think that is the way to look at it. We are here representing the people of Canada, and I think we should vote this amount and complete the building.

Mr. MILLAR: Is the work of carving proceeding now?

Mr. KING (Kootenay): Yes.

Mr. MILLAR: Has it just started?

Mr. KING (Kootenay): There is a considerable amount done. I think my hon. friend would be very much interested if he went and saw what is being done.

Mr. LEWIS: In regard to the carving, I can readily understand that as far as the memorial chamber is concerned, it might be advisable to complete that, but anyone who looks anywhere around this building will notice stones that are still in the rough. There are at least forty of them around this chamber.

Mr. KING (Kootenay): We are not carving them now.

Mr. LEWIS: You are just carving now those for the memorial chamber?

Mr. KING (Kootenay): I agree that there are many years of work yet. Even around this chamber there is work to be done, but I would not suggest that that should be done now.

Sir HENRY DRAYTON: I do not want to delay the committee, but I do want to earnestly protest against this vote.

Mr. KENNEDY (Edmonton): Has the question of keeping down the temperature in this chamber during the hot weather ever been investigated?

Mr. KING (Kootenay): The condition my hon. friend complains of is probably due to the humidity. The system we have of controlling the temperature is supposed to be thoroughly up-to-date. The air is brought in over a refrigerating plant and is not admitted to the chamber until it has been washed and dried. I think if my hon. friend would enquire into the system he would probably be satisfied that everything possible is being done in that regard.

Mr. LEWIS: The heated condition of the chamber is possibly due to the humidity, and I suggest that the dropping of cold water on the air before it is admitted may increase that humidity and add to the oppressiveness.

Sir HENRY DRAYTON: The whole trouble, as the minister knows very well, is that the air admitted to the chamber is drawn from the courtyard adjoining and consequently we are doing the best we can to artificially cook ourselves. The air brought into the old chamber was drawn from a conduit pipe on the bank of the river. That conduit pipe still exists, and if we just expend a small fraction of the money we throw away on ornate structures, bells, and the like in bringing cool air through this pipe, there would be a remarkable difference in the air of this chamber. But apparently that is not the idea; it is preferable to have the present expensive arrangement which results in such effective cooking.

Mr. GRAHAM: I submit that no matter how cold the supply of air would be it would be soon warmed up when it gets into the chamber.

Sir HENRY DRAYTON: The point is not well taken.

Mr. KENNEDY (Edmonton): I am not complaining about the temperature at present which is reasonably moderate. But during the hot weather it is a disgrace that after spending $12,000,000 on this building we should

be exposed to such a temperature, and the only relief we can get is to take off our coats. I should like to ask the minister whether he will not have this condition investigated.

Mr. KING (Kootenay): This is a good government, but we cannot control the weather altogether.

Mr. KENNEDY (Edmonton): I would urge the minister to see whether something cannot be done so that we may discharge our duties with some degree of comfort in hot weather.

Mr. COOTE: This question should not be treated as a joke. I think it is unfortunate that after having spent $12,000,000 on this building we have a chamber that is very hard to hear in. I think we might very well spend a few thousand dollars in seeing whether something cannot be done to improve its acoustic properties. A couple of years ago there were complaints in regard to that matter, and curtains were placed under the side galleries. But those curtains shut off the air, there is no question about it. My own seat is located at the back and some nights when it was extremely hot I took the trouble to move the curtains back, and I could notice an immediate improvement in the temperature at the spot where I was sitting. I think that something could be done to improve the acoustic properties of this chamber, without interfering with the system of ventilation. Certainly it would be simple common sense to spend a little less money on ornamental lighting and spend something to make the chamber serve the purpose better than it does at present. Personally I think that if necessary the side galleries might be moved out altogether. It is a very common thing for members at the extreme end of the chamber to rise and protest that they cannot hear what is going on. Very often those of us who are sitting in this quarter have the same experience, and we cannot transact our business properly if we cannot hear what is said. I would be quite willing to vote for the bells and everything else the minister wants if he would give us some assurance that a real effort would be made to improve the acoustic properties of the chamber and the ventilating system. What the ex-Minister of Finance (Sir Henry Drayton) has said seems very reasonable. If the air were brought in from the bank of the river, especially in the evenings, it would certainly be much cooler than the air drawn from the courtyard behind the chamber.

[Mr. D. M. Kennedy.]

Mr. McBRIDE It seems to me the chamber would be all right if some hon. members would do less talking and would speak up better when they are on their feet.

Mr. SUTHERLAND: We are accustomed to taking stock of our business every year; at least some people are who have any wish to continue in business. But the stock-taking, with respect to our country which the government has been carrying on has not been very satisfactory or very encouraging; we are going back annually to a very large amount. It is all very well to have ornate buildings and elegant fittings if we can afford them. It is certainly a credit to the country, at any rate, to have parliament buildings that command the admiration of all who see them. But that is not a cause of very much satisfaction to people who cannot earn a living in this country and who have to emigrate to another land in order to do so. I think we could cut out a lot of these frills and bells and pare down our estimates. They are doing that in other countries. Look at what they are doing in the United States. They are reducing their expenditure there by hundreds of millions of dollars. But there is no disposition on the part of the Canadian government to pare down the estimates in any particular. The grossest extravagance is going on here as though the country were prosperous and everything satisfactory. I protest against the reckless extravagance which is going on. If it continues it can only have one result, and the sooner we realize that the better.

Mr. KING (Kootenay): In reply to my hon. friend from Macleod (Mr. Coote) I may say that two years ago we did endeavour to improve the acoustic properties of the chamber. We employed Dr. Saunders, of Harvard University, who is considered probably the best American authority on acoustics. He came here, spent some days with the chief architect and the deputy minister, and made some suggestions which we carried out. We carpeted the floor, placed curtains around the sides of the chamber, and followed the ideas he suggested. Undoubtedly an improvement followed. To remove the curtains back of the galleries, would, I think, be a decided disadvantage. The chamber is a large one, with a very high ceiling, and yet the acoustics are not as perfect as one would like. However, I do not think the Minister of Public Works or the government can be blamed for that. Two Canadian architects of repute were

employed in connection with the rebuilding of the parliament buildings and they designed this chamber. While the acoustics are not, perhaps, as good as they might be, generally speaking the building is a good one and we have reason to be proud of it.

Mr. COOTE: I may inform the minister that I can hardly hear what he is saying now. I suggest that he look into this matter and see if some further improvement cannot be made.

Mr. BOYS: Perhaps a rearrangement of the seats might work an improvement The Speaker's chair might be placed in the middle of the chamber, and the seats arranged in a semi-circular manner as they are in the chamber of deputies in Paris. Has that plan ever been considered?

Mr. KING (Kootenay): Yes, that is being considered. The estimated cost of that plan was over $50,000, and I thought we had better back away from it, for the present anyway.

Sir HENRY DRAYTON: Would that not be cheaper than the bells?

Mr. KING (Kootenay): My hon. friend will be proud of those bells.

Mr. KELLNER: I would suggest to the minister that he have this work done around the building when the House is not in session. Quite frequently there is in the House a speech which hon. members feel it is impossible to listen to, and when they go to their rooms, very often they find under their window half a dozen men working.

Mr. GRAHAM: That is nearly as bad as the speech.

Mr. KELLNER: Sometimes it is even worse.

Mr. FORKE: The hon. member says that the speeches are sometimes impossible to listen to.

Mr. KING (Kootenay): The hon. member will realize that during a period of construction such as this, there will be confusion, but I believe this will clear the matter up and after this there will be no further disturbance.

Mr. WARD: In the railway committee room the echo of the disturbance that takes place is something that should not be tolerated. It is the largest room in this building outside of this chamber, and in it nearly all the important committees are held. Therefore, I think the minister might consider doing something to improve the acoustics.

Mr. KING (Kootenay): I quite agree with my hon. friend and that matter will be looked into.

Item agreed to.

London, England, Canadian office, $250,000.

Sir HENRY DRAYTON: Last year the vote we passed was to cover everything. What went wrong with the calculations?

Mr. KING (Kootenay): This is a revote.

Sir HENRY DRAYTON: It is not shown as a revote. It looks as if somebody had slipped to the extent of $250,000 on this one job. We spent a long time on it before and we were told, as I recollect, that was the whole bill.

Mr. KING (Kootenay): My notes state that this is a revote and, as a matter of fact, it is, although that is not shown in the estimates.

Sir HENRY DRAYTON: The trouble is that we are not mind readers.

Mr. KING (Kootenay): I know that, and I am glad my hon. friend has called my attention to the matter so that we may make the correction. The work did not progress as rapidly as we expected and this will complete the undertaking of last year. The amount is made up as follows:

To complete contract for alterations.. ..	$191,739 17
Architect's fees..	19,422 54
Clerk of works' salary..	583 99
Moving expenses..	3,649 95
Furniture and fittings..	28,000 00
Storage and cartage of furniture in London	1,000 00
Freight, both railways and ocean, including insurance on furniture..	4,000 00
Contingencies and incidentals..	1,604 35
Total..	$250,000 00

Sir HENRY DRAYTON: How much have we spent altogether?

Mr. KING (Kootenay): The total cost with this estimate will be $1,536,072.

Sir HENRY DRAYTON: What were the carrying charges last year? Last year we had the taxes and that sort of thing.

Mr. KING (Kootenay): They were $18,-639.

Sir HENRY DRAYTON: That would not include interest?

Mr. KING (Kootenay): No. Interest charge of five per cent would amount to $76,803. The sinking fund is not in the first charge, and it would amount to $16,148.

Sir HENRY DRAYTON: I understand my hon. friend wants to get over in time to open the building.

Mr. KING (Kootenay): That will be pleasant.

Sir HENRY DRAYTON: We do not want to delay him. It will be nice that the building will be put to some immediate use, after all the expense it has involved.

Item agreed to.

Public Works—chargeable to capital—harbours and rivers. Esquimalt, B.C.—drydock under construction, $1,600,000.

Mr. KING (Kootenay): This is to complete the contract for the drydock.

Sir HENRY DRAYTON: What is the total cost?

Mr. KING (Kootenay): The estimated total cost is $5,981,849.

Mr. GARDINER: How much has been spent up to date?

Mr. KING (Kootenay): The amount is $4,800,000.

Mr. COOTE: Is this work being done by contract?

Mr. KING (Kootenay): Yes.

Mr. COOTE: What size of vessels will this drydock accommodate when it is finished?

Mr. KING (Kootenay): The largest in the world, I think,—1,100 feet long.

Mr. KENNEDY (Glengarry): Are there any other drydocks on the Pacific coast?

Mr. KING (Kootenay): There is one at Prince Rupert owned and controlled by the Canadian National Railways, and one at Vancouver subsidized by the government.

Mr. MILLAR: What is the size of the one at Vancouver?

Mr. KING (Kootenay): It is a floating dock. It will accommodate vessels up to 16,000 or 18,000 tons.

Mr. MACLEAN (York): What draught?

Mr. KING (Kootenay): Twenty-five, thirty feet.

Mr. COOTE: Does the minister think this Esquimalt drydock will be used when it is finished?

Mr. KING (Kootenay): Yes.

Mr. LEADER: When was this work commenced?

[Mr. J. H. King.]

Mr. KING (Kootenay): I think the contract was let in 1919. The work commenced in 1920 or 1921.

Mr. LUCAS: Is Vancouver not the best place for a drydock?

Mr. KING (Kootenay): Esquimalt is an important point. The British fleet, when they were patrolling the Pacific, made Esquimalt their base on the Pacific, and for many years there had been under consideration the question of a larger dock at Esquimalt. I think that was confirmed by the admiralty.

Mr. COOTE: What business is being done at Esquimalt?

Mr. KING (Kootenay): A good many ships are repaired there.

Mr. COOTE: How many vessels would visit Esquimalt in a year?

Mr. DICKIE: Perhaps I can inform the hon. gentleman. The Yarrow shipbuilding works are on the Esquimalt drydock. Scores of vessels are repaired there every year. It is a very busy port. More shipping passes by the doors of Esquimalt than any other port of America, I presume. All the shipping that goes to Vancouver, all the shipping that goes up the sound, goes past the Esquimalt drydock. We had a small drydock there, and owing to its smallness the warship Kent had to be sent to Seattle to be docked there and repaired, at a great loss to our country. I do not know just what it cost. Many other large ships were unable to dock in British Columbia until it was finished. The dock, we think, will pay. The Yarrow shipbuilding works were established there on the distinct understanding that this dock would be constructed. Of course, there was always opposition on the part of Vancouver, and it is quite reasonable to expect that. They are, however, entitled to a drydock there. I may say that on Puget sound there are sixteen drydocks. Our shipping is growing by leaps and bounds. This is the age of the Pacific, and this drydock, whether at the time it was started it might be considered by some people as unjustifiable, is undoubtedly at the present time regarded by everybody in the west as having been fully justified. At least, this is the feeling unless anyone is prejudiced because of the fact that the dock is on Vancouver island instead of in some other part of the country. As the minister has said, it was recommended by the admiralty, and we absolutely pledged ourselves to Yarrows to have it built. We must not forget that Esquimalt is a very busy ship repairing and building port at the present time.

5 p.m.

Mr. KING (Kootenay): Thirty ships docked there last year ranging in tonnage from 3,400 tons odd to 10,000 tons.

Mr. MILLAR: Most ocean going vessels are loaded and unloaded at Vancouver. If one of these ships went past Esquimalt with a cargo and she required repairs, would it be necessary for her to go to Vancouver and unload, return to this place and be repaired, and then go back to Vancouver and load again?

Mr. KING (Kootenay): That would be a matter for the steamship company to decide. There will be two docks, one at Esquimalt and one at Vancouver, in competition with each other. We do not operate the docks. Yarrows and another shipbuilding firm at Esquimalt will use the government dock, paying tolls to the department, and they will be in competition with the firms at Vancouver for the business.

Mr. MILLAR: I was referring to the larger ships which could not be accommodated at Vancouver.

Mr. KING (Kootenay): I believe the Vancouver dock will accommodate any ship in the merchant service. I do not doubt that ships of the Canadian Pacific company could make use of it.

Mr. KENNEDY (Glengarry and Stormont): Is it expected that the tolls charged will pay interest on the investment?

Mr. KING (Kootenay): Last year we collected at Esquimalt $28,248 while the expenditures amounted to $22,000.

Mr. COOTE: Is the drydock at Prince Rupert under the Public Works department?

Mr. KING (Kootenay): No. It was built under subsidy by the Grand Trunk Pacific Railway Company and when the railways were consolidated it came under the control of the Canadian National Railways.

Item agreed to.

Port Arthur and Fort William—harbour improvements, $129,000.

Mr. COOTE: What is this for?

Mr. KING (Kootenay): This is to complete a contract entered into two years ago.

Item agreed to.

Quebec harbour—Champlain dock—to complete, $68,000.

Sir HENRY DRAYTON: Why is this work not done by the harbour commission?

Mr. KING (Kootenay): This dock was built by the department in 1913, and the vote has been carried from time to time to complete certain works that were not finished.

Sir HENRY DRAYTON: Is it charged to the harbour commissioners?

Mr. KING (Kootenay): No; it is not under the jurisdiction of the commission.

Mr. LEWIS: How much are we spending on this institution? We have $60,000 in one place, $5,000,000 in another part of the estimates, and other votes elsewhere. Why not put all these sums under one item?

Mr. KING (Kootenay): This dock has nothing to do with the harbour commission; it is on the opposite side at Levis.

Mr. LEWIS: I notice that the hon. member (Mr. Sutherland) has made the statement that money is being spent everywhere indiscriminately. I want to tell him that no reckless expenditures are being made in the three prairie provinces.

Mr. COOTE: I want to refer to the vote for Fort William which was carried so precipitately a moment ago. I think the hon. member representing that part of the country (Mr. Manion) made the statement that he was agreeable to withdrawing that vote.

Mr. KING (Kootenay): I do not think so.

Mr. GRAHAM: Are you sure you heard him right?

Mr. COOTE: I am not positive but I am under the impression that he made that suggestion.

Mr. CAMPBELL: I think the hon. member said that he was satisfied to have the vote withdrawn if other votes would be withdrawn as well.

Mr. POWER: Can't you see a joke?

Item agreed to.

St. John harbour—improvements, $500,000.

Mr. KING (Kootenay): This amount of $500,000 is required for improvements in St. John harbour. It is intended to complete the dredging of a channel from the main channel in St. John harbour to the basin in front of the drydock, a distance of about 7,200 feet in length by 500 feet wide, to a uniform depth of 22 feet and to complete the dredging of the basin in front of the drydock to a depth of 32 feet, as well as dredging a channel 250 feet wide from the basin to the drydock. It is also required to complete a contract with

Messrs. Boone & Macdonald for the construction of a conveyer gallery 1,100 feet long, with necessary equipment at berth 16; for general maintenance of harbour, repairs to sheds, wharves, conveyers, and so on. At West St. John it is intended to protect concrete exposed to sea action and at Partridge island to repair the wharf. There is also dredging in shoal areas in the main channel to a depth of 32 feet, and dredging the deep water berths. These constitute the main undertakings.

Mr. LUCAS: I understand that Courtenay bay at St. John is a new harbour. How much has been spent on the work there?

Mr. KING (Kootenay): A breakwater has been constructed and we have been dredging the entrance to the harbour. This is to complete the dredging programme. This is all preliminary to the work to be done in connection with the piers and the facilities that will be required to make the harbour a proper terminus.

Mr. CALDWELL: This is not for Courtenay bay?

Mr. KING (Kootenay): No; it is for dredging outside the bay. The estimated cost at Courtenay bay is $5,184,600, and the total cost to date is $4,771,000, extending over a period of years between 1918-19 and 1924-25.

Mr. COOTE: Has the minister the figures showing the total amount spent on St. John harbour up to date? I think it will be interesting to the committee to see how much these harbours cost.

Mr. KING (Kootenay): There has been a total expenditure of $19,000,000 on St. John harbour dating back from 1874 to the present time.

Mr. LUCAS: That does not include the dry-dock?

Mr. KING (Kootenay): Yes.

Mr. LUCAS: What was the cost of the dry-dock?

Mr. KING (Kootenay): About $5,000,000.

Mr. LUCAS: Has the minister any figures regarding the total tonnage through St. John? Is there any revenue collected from the harbour?

Mr. KING (Kootenay): Yes, there are some revenues collected by the Marine department who are administering the wharves. The city collect revenue; they have some property there as well.

[Mr. J. H. King.]

Mr. COOTE: I am not interested in the city. What does the government collect?

Mr. KING (Kootenay): I have not the totals here.

Mr. COOTE: Does the minister not think it would be wise to have a harbour commission, or some way of collecting dues at St. John?

Mr. KING (Kootenay): The regular port dues are charged there and collected.

Mr. MILLAR: Are they expected to pay on the basis of the interest on the loans made to them?

Mr. KING (Kootenay): No, the regular port charges collected in other ports such as St. John are collected there. It is not a regular harbour commission. The Marine and Fisheries department have their agent there who collects the dues on the tonnage of the ships as they come to and go from the harbour. In addition to that the city collects revenue from their property.

Mr. COOTE: We would have to find out from the Department of Marine what revenue is collected there.

Mr. KING (Kootenay): Yes, they would have that information.

Mr. CALDWELL: The dues charged and collected at St. John harbour have been rather exorbitant in the view of the shipping people. Last year the city fathers decided to cut down their tolls because they were driving ships to the United States ports down along the eastern coast. I think possibly the Marine department charges were correspondingly high. Is it the intention of the department to do anything on the Negro point breakwater this year?

Mr. KING (Kootenay): That whole situation is being very carefully canvassed now with the transportation companies, the city and the engineering department. The question of further development in St. John I think requires very careful consideration, and the whole matter is being carefully gone into.

Mr. COOTE: Will this vote complete the harbour work at St. John and Courtenay bay?

Mr. KING (Kootenay): No.

Mr. COOTE: What will be required to complete it?

Mr. KING (Kootenay): It depends on the plan adopted. If the Courtenay bay scheme were proceeded with to the full extent it would mean a large expenditure. If there should be developments which we are trying

to arrange I think a very large sum could be saved, and that matter is under consideration now with a view to saving money if we can.

Mr. LEWIS: Does the government not think it advisable to look over the situation and call a halt in the matter of great expenditures and future developments? I do not think the commerce of the country would suffer one iota if we cut out seven-tenths of the expenditure which we have been making; we would be in a much better position financially, and it would give a great deal of hope to the Canadian people who are under a burden at the present time.

Mr. LUCAS: Is there any congestion at the port of St. John at the present time?

Mr. KING (Kootenay): Not at this season of the year. It is a winter port, and in the winter time they suffer from congestion. In regard to the tonnage last year, 14,000 head of cattle were shipped and I think eight or nine million bushels of wheat passed through. In addition to that there was a great deal of produce and other merchandise.

Mr. LUCAS: I think under present conditions the government should go very slowly in regard to spending a large amount of money on ports in the east. We have to provide duplicate facilities in the east to handle our business, and I think they could very well put up with a little congestion at times in order to cut down expenses, especially when we are up against the conditions which exist at the present time.

Mr. KING (Kootenay): We have that in mind.

Mr. LUCAS: I was in St. John a year ago, and Courtenay bay looked to me like a new project that was being undertaken. If you are going to develop that into a new port it is going to take an immense amount of money and will only be used a few months in the year. Then we have to go up to Montreal and Quebec and provide another set of facilities in those places. I think the government would be well advised if they would proceed very slowly in commencing any projects of this nature.

Item agreed to.

Toronto harbour—improvements, $281,000.

Mr. KING (Kootenay): This is to complete the western breakwater; to dredge the eastern and western channels, and for the reconstruction of 400 feet of the west pier of the eastern channel.

Mr. LUCAS: Is there any need at all for this kind of thing in Toronto? I was there about a week ago, and went all around the harbour, and it would keep me guessing to see any ship at all. It will be all right when the deep waterway scheme gets under way, but at present the harbour is hardly used at all.

An hon. MEMBER: Where is Toronto?

Mr. MILLAR: I feel like making stronger objection to this vote than to the former vote. The eastern provinces are passing through a hard time. Last year I find that an enormous sum of money was granted to the Toronto harbour on which they were not paying one cent of interest, and I was under the impression that they were doing so little business that they had not issued an annual report for some years. Perhaps the minister would give us some information on those two points. Have they issued any annual report? How much money have they received? How long since they paid any interest? Possibly the minister might prophesy whether they will pay any interest.

Mr. KING (Kootenay): I think they publish a report every year.

Mr. MILLAR: Has the minister got the report?

Mr. KING (Kootenay): No.

Mr. MILLAR: Has the minister seen the report in the last three years?

Mr. KING (Kootenay): I think they publish a report annually.

Mr. MILLAR: My information is that they have not done so.

Mr. CHURCH: The Toronto harbour commission publish an annual report, and we will send hon. members copies. The Toronto harbour board is not like the Quebec harbour board. The Toronto board pay all their fixed and other charges, and all we can get from the government is a little pin money. We cannot get money for a post office or a customs house. The revenue received from Toronto is a hundred million dollars. The new vote is for the reconstruction of the breakwater, which is in bad condition, and the present government and previous governments are responsible for this. The Canadian National Railway runs as close to the breakwater as from here to the opposite wall. I may tell hon. gentlemen that the sum total received by the Toronto harbour since confederation is about seven millions, and the revenue received from the Toronto harbour

is over a hundred million dollars. We cannot get any vote for our harbour. We had a contract with the government for work to be performed on Toronto island which has been standing for fourteen years, but they will not carry out the contract with us.

Mr. MILLAR: If Montreal can pay interest on the sums it receives, Toronto should be expected to do the same thing, especially where there is a revenue of $100,000,000.

Mr. COOTE: Is the new land which has been made along the waterfront of Toronto the property of the harbour commission?

Mr. KING (Kootenay): Yes.

Mr. SPENCE: Paid for entirely by the city.

Item agreed to.

The CHAIRMAN: Item 147, page 36. All the items in this estimate have been passed except two, Escuminac and Mill's point. Mr. Kellner moves that the vote for Escuminac, harbour improvements, $50,000, be reduced by $49,500. The question is on the amendment of Mr. Kellner.

Mr. KING (Kootenay): This is a new structure required in the interests of a large fishing community, to give them the protection which they need in their occupation. I trust that the hon. member will withdraw his amendment. I do not think he wants the people of this community to be deprived of that which is necessary to enable them to earn their livelihood.

Mr. COOTE: How much will be ultimately required for this work?

Mr. KING (Kootenay): Not any more than this.

Mr. LEWIS: I understand from one who lives down there that there are only about twenty-five families in the whole neighbourhood. We can spend $50,000 for about twenty-five families, but we have over three-quarters of a million people in Saskatchewan and we get $17,000. There is something wrong. Talk about putting nails in the coffin of confederation; I think you are doing it at a good rate.

Mr. KING (Kootenay): The value of the salmon fisheries there is $90,000, employing forty to fifty boats. As to what my hon. friend has said about the population, I would point out that the many boats operating there indicate a very fair population. Salmon, herring and lobster fishing is carried on by some seventy boats drawing three and a half feet of water, and fifty dories. The population is 1,780.

Mr. EVANS: Throughout all the estimates of this kind this year there has been a tremendous discrimination as between different provinces. When you think of $21,000 being spent for public works in the whole of Saskatchewan you cannot blame the mover of the amendment (Mr. Kellner) for his feeling in the matter. I am surprised that when the Prime Minister visited that part of the country last year the significance of this condition did not strike him rather forcibly. For many years we have had at Saskatoon a half-finished building, the completion of which would save $22,000 annually in rent. We are paying to-day in rent an amount which, capitalized would provide accommodation in our own building, and it would be a credit to the city. The minister eulogizes the beauty of things east, particularly around this city, but all these matters should bear some relation to each other, and at present I cannot see that they do. I do not wonder that there is discontent in the west, and some of the legislation that has lately been put through this parliament is not calculated to allay it.

Mr. CALDWELL: I think our western friends hardly realize that such expenditures as these are to communities in the Maritime provinces what branch line railway construction is to the west. If a comparison is made between the amount spent in railway building, repairs to wharves, harbour works, and so on, in the west and in the Maritime provinces, the large expenditure would not be found to be in the Maritime provinces. My riding does not touch the coast at any point, but I know a good deal about the conditions at such places as this. Communities such as this situated along the coast of the Maritime provinces have only one method of communication largely, and that is by boat, and if they do not have wharves and harbours in to which they can put for shelter in a storm, they are in great danger of loss of life and of property in the way of boats and gear. I think it comes with a pretty poor grace from our western friends, who are so keen for branch line construction, to oppose a small vote of this kind which is to provide communication for people who live in sections where the people have less opportunity to make a living than almost in any other part of Canada, and where they are more out of touch with the outside world. I am going

to vote against the amendment to cut this vote. I think there are votes that should be cut out, but I do not think this is one of them.

Mr. SNOWBALL: I am glad to have the support of the hon. member for Carleton (Mr. Caldwell) in conection with this vote. I do not think the people of the west fully appreciate what the fishermen along the eastern coast have to put up with and the hardships they endure. They have no railway communication at this point, being forty to forty-five miles away from a railway, and after making their catch the fish has to be transported by steamers and motor boats and motor trucks for that distance to put into freezers or shipped by rail. It is a very hazardous coast. Miramichi bay is accessible and fairly safe for large craft, but when a storm comes up, these drifters, of which there are a large number going out every day when the weather is favourable have to put in, and they are very chary about venturing out whenever they see signs of a storm approaching. Two years ago, I remember, there was a great deal of excitement on acount of the boats being out during a storm. I think I mentioned that when this vote was up before, and since then I have received a letter from home saying that one young man lost his life during that storm, and the other boy was able to stick to the boat and was picked up later and brought to shore. The boat equipment is worth $3,000, and every boat carries almost a mile of nets, and instead of these boats going out three or four miles, as I said before, they go out fifteen or sixteen miles from point Escuminac. Hon. members will readily realize the hazardous nature of this calling. I believe that this extra expenditure will increase the trade at this point. Last year their catch of fish amounted to $400,000.

Some statement was made when this vote was up before to the effect that this kind of fishing had been carried on for a great many years and that it could be done with comparative safety, but the fact is that fishing in these drifters has been carried on only during the last eight years; I have that from fishermen in the district. About 400 men are employed at Escuminac, going out fishing for lobsters and salmon, and there are men who come up from the north shore and fish there along with the others. These men also require a safe port to put into. People also come up there from the coast of Prince Edward Island and up north into Gloucester county, and at the present time they would have to run to Shippigan or Prince Edward Island if a storm came up. One boat has foundered during a very severe storm with all hands, since the last debate we had on this vote.

I know you people from the west will appreciate the difficulties we have in the Maritime provinces. We have a feeling down there that certain portions of Canada are opposing any appropriations that would help us build up our trade, and this is one of the appropriations that we feel would very materially assist us in the Maritime provinces, and especially at that point in New Brunswick, to develop our fishing trade to a far greater extent than at present. Every fish that we take out of the Atlantic is of advantage to the Canadian people, so I hope that when this vote comes before you, you will unanimously pass this item of $50,000 for a breakwater at Escuminac, and that the hon. member will withdraw his amendment.

Mr. FORKE: I do not think any member of this House would oppose a vote for this purpose if he really thought this work was absolutely necessary for the protection of the fishermen. It is a large amount of money, but at the same time I do not feel like voting against the appropriation. I am perfectly sure that those who have supported this amendment are quite serious, believing that the money should not be spent, but I cannot see my way at this time to support the amendment.

Mr. KELLNER: It is very hard to hear of so many fatalities down in that district, but I want to point out that if people persist in going on the water there will always be a certain number get wet and a few others get drowned. When this vote came up in the House before, there was not one argument given in support of the need of this particular work. The whole statement as presented in the House was that it was to pay for a by-election. That is what was presented to the House. I know absolutely nothing about the situation myself. I do not know whether this work is necessary or not, but if that charge was not correct, I think it was up to the hon. member to have got up at that time and defended the vote.

Mr. SNOWBALL: I want to take exception to my hon. friend's statement. I did defend the vote, as he will see if he reads my remarks in Hansard.

Mr. KELLNER: Not until I had moved the amendment. I moved the amendment to test this House, to see if they had the

courage of their convictions, as several had spoken against the vote, and they claimed it was not required at all. I have no information about the district myself. I do not know whether this work is needed or not, and we have not been given any reason for it.

Mr. WARD: I objected to this vote when it was up before, and I intend to do so again. I had a talk with the hon. member for Northumberland (Mr. Snowball) following the last debate, and he failed to convince me that this large vote was required, or was in keeping with the economy talk we have heard so much of in this House. I made the statement on the last occasion this vote was up that there was a greater coast line in the constituency I represent than in any constituency in the Maritime provinces—200 miles and more; and that we produced more fish in that constituency than in any constituency in the Maritime provinces. Since then I have looked up the records to verify my statement, and I find I could have doubled that statement. I can safely say that there is more fish produced in the constituency I represent than in any two constituencies in the Maritime provinces, and the records of the department will prove that; yet in my constituency there has been spent only $9,700 on public wharves in the last thirty years, and we are producing fish by the hundreds of carloads.

Mr. ROBICHAUD: Are there any deep sea fisheries in your constituency?

Mr. WARD: There are deep lake fisheries; we have very large lakes, but, of course, we do not have so many by-elections out there. I have made some private investigations regarding this matter, and I find there are about twenty-five families in the immediate vicinity of Escuminac—I have been told this on what I take to be excellent authority—who will be served directly by this work. I understand also that it is more of an experiment, that later on there will be another $150,000 expended on this work. I state again, I do not think it is dignified for this House to launch out on an expenditure of $50,000 to satisfy the obsession of a few people. Speaking on this question before, I remarked that it was hereditary with the people of the Maritime provinces—

Some hon. MEMBERS: Order, order.

Mr. WARD: Why the point of order? In what I said there was nothing derogatory of the people of the Maritime provinces. It is my intention to oppose this vote.

[Mr. Kellner.]

Mr. FORKE: I do not want to vote a sum of $50,000 unless we know what we are doing.

Sir HENRY DRAYTON: It is $200,000 altogether.

An hon. MEMBER: You can vote against it.

Mr. FORKE: I shall do what I think is right no matter what advice is given to me by other hon. members. I should like some information as to the necessity for this particular expenditure. It is all very well for the hon. member for Dauphin (Mr. Ward) to compare lake shores with the Atlantic ocean, but the two are not comparable. I think I have complained about votes for harbours on the Atlantic as much as anyone, and in the present case I should like to know the extent to which this particular community will be benefited by this expenditure.

Mr. SNOWBALL: I have a letter from W. S. Loggie & Company in which they say "this breakwater is absolutely necessary." This firm is one of the largest producers of fish in that section.

Mr. MILLAR: How much fish is produced there?

Mr. SNOWBALL: Fish to the amount of $400,000 was produced in the locality last year.

Mr. FORKE: Is there any possibility that more fishing will be done if this improvement is carried out?

Mr. SNOWBALL: Yes, more fishing will be done.

Mr. MEIGHEN: I have not heard the discussion, but I think anyone who accepts an assurance on the information we have from the minister—I heard the previous discussion and I do not presume there is any more information now—is very easily satisfied. Does anybody imagine this House is justified in launching on a $200,000 expenditure—for that is what it is, with another dock nearby and all the dredging that has to be provided for under another vote besides the $200,000 we are embarking upon now—and that in relation to a parish where in 1921 the whole population to be served by both works, was some 1,700—probably less now than more—and where only a few of these people will be engaged in fishing? I do not doubt there is some purpose behind this, but is that purpose sufficient to launch us upon an expenditure

which will probably involve $400,000 by the time the dredging is taken care of and the two docks built? Is it conceivable? I think it is inconceivable. The fact of the matter is that it is an affront to the House to ask us to discuss it.

Amendment (Mr. Kellner) negatived: Yeas 32, Nays 77.

Item agreed to on division.

Mill's Point—wharf enlargement and repairs, $25,000.

Mr. MEIGHEN: This is a supplementary by-election item in the same county? This is at a point that nobody has ever heard of and cannot find on the map. Is not this in Northumberland county too?

Mr. KING (Kootenay): This amount is for the reconstruction of a wharf. The expenditure is a proper one, there is no question about it.

Mr. MEIGHEN: Is it in the same county?

Mr. KING (Kootenay): Yes.

Item carried on division.

Mr. STEVENS: That pays for the by-election.

Progress reported.

DOMINION ELECTIONS ACT AMENDMENT

Hon. A. B. COPP (Secretary of State) moved that the House go into committee on Bill 148, to amend the Dominion Elections Act.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

On section 1—urban polling divisions.

Sir HENRY DRAYTON: Will the minister state shortly what we are really doing?

Mr. COPP: This is to increase the population of an urban polling division. When the act was first passed the population was placed at 1,000. In 1921 an amendment was passed making it 2,500. The present amendment fixes the number at 5,000.

Sir HENRY DRAYTON: What is the reason for the change?

Mr. COPP: My hon. friend will find it in the marginal note which reads:

As originally passed in 1920 the act required urban registration in all places having a population of 1,000 or more. At the next following session it was amended by increasing the lower limit to 2,500 the effect being thus to reduce from 440 to about 185 the number of places in which personal registration was required. Neither the public interest or the convenience of candidates would seem likely to be in any way prejudiced if this limit were still further raised. On the other hand its being so would relieve some voters of a burden and would effect a substantial economy since the number of revising officers would be reduced and the printing of some lists would be dispensed with.

It tends to economy and improved administration of the act.

Sir HENRY DRAYTON: This really means, I suppose, that the rural machinery, for example, as to swearing yourself in and that sort of thing on the list, applies to a greater number than before.

Mr. COPP: Yes.

Sir HENRY DRAYTON: What is supposed to be the economy in that? What is the difference?

Mr. COPP: The number of revising officers will be one thing and the printing of the lists another. The urban lists have to be printed and the rural lists do not. The explanatory note by the Chief Electoral Officer gives the reasons why the changes are made. He gives the illustration:

If, for example, the lower limit was increased to 5,000, the number of places in which urban registration was essential would be reduced by over 55 per cent, viz: from about 185 to 80. There are some few places with populations between 2,500 and 5,000 which, as is presently true of some places under 2,500, would still require urban registration. For example, the population of St. Lambert, West Toronto, and like municipalities adjacent to large cities, and of some towns in Western Canada, are too flued to permit the intimacy upon which the effectiveness of rural registration ultimately depends. Urban registration would have to be directed in these in the same way as it is now directed in Oak Bay near Victoria, in South Vancouver, and in St. James near Winnipeg, but a population of 5,000 is, in general, quite low enough to make urban registration essential.

Sir HENRY DRAYTON: How is it decided when you rely on your 5,000 and when you are going to do something else?

Mr. COPP: Under the act it is left entirely to the Chief Electoral Officer to do that at the time.

Sir HENRY DRAYTON: What principle is to guide the officer in determining whether we are to be rural or urban in the absence of a declaration of parliament?

Mr. COPP: No principle is definitely laid down by statute. Under the act it is left entirely to the Chief Electoral Officer to decide those questions as they arise during the election.

Mr. KENNEDY (Glengarry): Is the object to be attained chiefly the saving of expense?

Mr. COPP: Yes, and to relieve the necessity for registration.

Mr. KENNEDY (Glengarry): Is there not a little danger in throwing too wide open this swearing in on polling day?

Mr. COPP: It will add only a few more. They would have the same opportunity of doing it now, but it would make a larger number of rural constituencies and there would be an opportunity to swear in if necessary. It is a matter which has been decided upon after careful consideration and after the Chief Electoral Officer has had the experience of administration under the old act.

Mr. MEIGHEN: I am very apprehensive of this clause. It means, as far as I can see its practical effect, that the places where heretofore a person could go in and swear his name on and vote on election day are multiplied several times. Heretofore, a voter, without going on a list or coming before a judge, without the slightest precaution being taken as respects him, in a town of 2,500 or under could walk in and swear that he had a right to vote, and if he got outside of the door, you would never hear of him any more. It is very difficult to do that illegally and fraudulently in small places, because everybody there knows everybody else. But when you get a place with a population of over 2,500 and up to 5,000, the difficulty of detection is multiplied, and in my judgment this is just opening the door to wholesale fraud and to swearing in of voters on election day who come from no man knows where. Why do we not do this in the large cities? Just because it would mean a torrent of "telegraphers" and every other kind of thug coming in and swearing in their votes. A whole army could not watch them. If we are going to open the door up to towns with a population of 5,000, to my mind it is going to degrade the whole election of our country, and that is pretty hard to do. It is getting now, especially in our cities, something unspeakable. I have the gravest suspicion of a bill of this kind and especially of this subclause (1). It is all very well to talk about saving a little expense, but what is this going to amount to? It will multiply the places where this swearing can be done, and that means throwing open the widest possible door to fraud. This does not usually occur in the small places although it has been taken advantage of there. You will usually find the whole voters' list taken up by somebody even in a small place. But in a place with a population of over 2,500, it is impossible to check this thing and, in my judgment, the legislation is vicious.

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

[Mr. Copp.]

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

THE ESSEX TERMINAL RAILWAY COMPANY

The House in commitee on Bill No. 120, respecting the Essex Terminal Railway Company—Mr. Healy—Mr. Gordon in the chair.

On section 1—Extension of time for construction.

Mr. SHAW: Perhaps the hon. member responsible for this bill will explain it.

Mr. GARDINER: May we have the bill distributed?

The CHAIRMAN: It is one of the first bills distributed this session. The bill was reported in the Senate on May 13. It is letter F of the Senate and will be found among the Senate bills.

Mr. GARLAND (Bow River): The hon. member for West Calgary has asked for an explanation of the bill.

Mr. SPENCER: Who is the sponsor of this bill?

The CHAIRMAN: The name of the sponsor appears on the order paper.

Mr. CANNON: The bill was fully discussed in committee and all information given.

Mr. GARLAND (Bow River): Well, then, let us have some explanation of it.

Mr. MEIGHEN: It would seem that the member responsible for the bill had decided to abandon it.

Mr. POWER: When the bill was before the committee the other day the hon. member was there.

Mr. MEIGHEN: He may have changed his mind. Possibly he would be offended if we put this through over his dead body.

Mr. SHAW: I move that progress be reported.

Motion agreed to on division: Yeas, 28. Nays, 14.

Progress reported.

THE CALGARY AND FERNIE RAILWAY COMPANY BILL

The House in committee on Bill No. 184, respecting The Calgary and Fernie Railway Company.—Mr. Hudson—Mr. Gordon in the chair.

On section 1—Extension of time.

Mr. SHAW: There will be considerable discussion on this measure, and I would

suggest, in order that the bills following should not be delayed—I understand they are not contentious—that this bill be deferred and the other orders taken up.

The CHAIRMAN: I am taking the bills as they appear on the order paper.

Mr. SHAW: I move that we proceed with order 64, Bill No. 187, and the following orders.

The CHAIRMAN: I do not know of any rule under which that can be done in committee. If the hon. member can show me any authority I will be glad to act on it.

Mr. SHAW: I do not think the House would object. I think it might be done by unanimous consent.

The CHAIRMAN: Does the committee consent to take up Bill No. 187 and postpone consideration of Bill No. 184? Bill No. 187 is the act respecting the Canadian Pacific Railway Company.

Some hon. MEMBERS: No. no.

The CHAIRMAN: Then we will take up the bills in the order in which they appear on the order paper.

Mr. IRVINE: Who is the sponsor for this bill?

Mr. HUDSON: It is in my name.

Mr. IRVINE: I should like the hon. gentleman to tell us how many years this company has held a charter to build this line?

Mr. HUDSON: I can tell the committee in a very few words all I know about this matter. The company got a charter from parliament some years ago and obtained a renewal of that charter, but I cannot give the particulars, I understand the whole matter was threshed out in the Railway committee.

Mr. CANNON: Yesterday morning.

Mr. HUDSON: I am not a member of that committee and I was not present, therefore I cannot state the facts which were placed before the committee. All the information I can give the committee is that contained in a telegram which has been placed in my hands by the solicitors who are acting for the promotors of the bill, and which I understand was procured in consequence of certain questions which were asked by some hon. members in committee yesterday. The message is from a firm of solicitors in Winnipeg, Hough, Campbell & Ferguson, a firm of the very highest repute. The telegram reads as follows:

> Present directors Calgary and Fernie Railway J. S. Hough, A. C. Ferguson, Franklin Crandell, J. D. Sinclair, A. B. Alexander. Persons largely interested in railway and in large holdings of coal and timber in Elk valley and the chief promoters D. A. Robertson, San Francisco, and F. E. Kenaston Minneapolis. Unless changes made recently following are directors of Grain Belt Construction and Development Company in England, Rowland Burdon, M. P. George Lloyd Courthope, M.P., Herbert Goring, Robert Basil Hoare, Ernest Summers, Homewood Bernard, Spring Rice. The English company have already expended over one hundred thousand dollars in surveys, road building and other expenses. Robertsons Coal Company have expended nearly similar amount in developing coal mine in Elk valley. No one prejudiced by renewal of charter.

That is the extent of my knowledge.

Mr. IRVINE: Would the hon. member tell us how many miles of railway have been built?

Mr. HUDSON: I have no further knowledge than I have given to the committee.

Mr. SPENCER: How many times has the charter been renewed?

Mr. HUDSON: I cannot say.

Mr. IRVINE: Does the hon. member know if there are any conditions applying to the charter?

Mr. HUDSON: I do not.

Mr. POWER: If the hon. gentleman knows, why does he not say so?

Mr. GARLAND (Bow River): We are not sponsors for the bill.

Mr. POWER: You are here to give information to the people of Canada.

Mr. CALDWELL: Does the charter to build this railway carry with it any subsidy from the Dominion government?

Some hon. MEMBERS: No.

Mr. CALDWELL: I notice the section we are repealing is section 1 of chapter 75 of the statutes of 1923. What is that section?

Mr. CANNON: That section provides that if the work is not undertaken within a certain period the charter will lapse, and that is the reason why the bill is presented this year.

Mr. CALDWELL: That act was passed when the charter was renewed in 1923?

Mr. CANNON: Yes.

Mr. CALDWELL: This bill has been accepted by the Railway committee, and I see no reason why the committee should not pass the bill inasmuch as it does not carry a subsidy.

Mr. CANNON: This matter was discussed in the committee, and the hon. member for East Calgary (Mr. Irvine) opposed the bill.

Mr. CALDWELL: I do not know anything about the terms of the charter or the conditions of the railway, but I think we should be very careful before cutting off the rights of the company. If the company has spent sums of money in preliminary work and surveys, we should not cut off the charter without good reason.

Mr. SPENCER: When the bill went through the Railway committee there was a good deal of discussion, and the information asked for could not be given. It was somewhat similar to the information we have had in the House to-night. The hon. gentleman who is responsible for the bill cannot tell us how many years ago the first charter was granted, and how many times it has been renewed.

Mr. CANNON: It appears in the bill.

Mr. SPENCER: I think the committee should have further particulars before proceeding with the bill.

Mr. CANNON: The information the hon. member seeks is very easy to obtain. It appears in the bill.

Mr. GARLAND (Bow River): The bill does not state how much of the line has been constructed.

Mr. CANNON: Naturally it would not. We would not expect the bill to give that information.

Mr. HEALY: I was in the Railway committee when the bill was under consideration, and what happened a few moments ago while I was out of the House is a result of what happened in the Railway committee the other day. The bill for the Essex Terminal Railway went through the committee unanimously.

The CHAIRMAN: We are dealing now with another bill. The bill the hon. gentleman refers to will come up again to-morrow night. The committee was instructed to report progress.

Mr. HEALY: I was telling this committee what took place in the committee the other day.

[Mr. Cannon.]

The CHAIRMAN: I am not concerned with that. This is the Calgary and Fernie Railway Company bill.

Mr. HEALY: This bill was discussed in committee the other day and there was a decided difference of opinion. The hon. member for East Calgary took one view and I happened to take the other view.

Mr. CALDWELL: Were there just the two of you?

Mr. HEALY: And the committee passed the bill. They found there was no opposition by any organized railway company. The only evidence in existence was a letter in the possession of the hon. member for West Calgary (Mr. Shaw) from the city council of Calgary. No good reason was shown why this charter was against the public interest. Considering all these things the Railway committee passed the bill, and I think it would not be proper for this committee or this House to cut off the rights of these people who may have failed to renew their charter, but who now claim they are just on the verge of financing this railway, which will tap the timber limits which they own in that district. Now, if the public interest will not be harmed, why should we fail to renew their charter when they have gone so far as they have?

Mr. WOODSWORTH: When was the original charter granted?

Mr. BOIVIN: In 1906.

Mr. MACDONALD (Pictou): Mr. Chairman, I would remind the House of a long-settled practice, that where a private bill has been considered by a special committee, the report of that committee is sustained by the House unless some good reason is given to the contrary. Special committees are supposed to consider very carefully the bills submitted to them and to go into all details concerning those bills before they arrive at the conclusions which they recommend the House to adopt. I know nothing whatever of the particulars of this case—

Mr. IRVINE: Nor does anybody else.

Mr. MACDONALD (Pictou): —but I am free to say that I think if the right hon. leader of the opposition (Mr. Meighen) were in his seat he would support the view which I am asserting, that this House would make a great mistake if on the ipse dixit of any member it should disregard the report of a special committee.

Mr. IRVINE: Mr. Chairman, is the hon. gentleman sponsoring this bill sure that the directors whose names he read are still alive? I have been given to understand that it is nineteen years since the company first got its charter, and that in the interval all the original directors have died.

Mr. HUDSON: The only information I have is that which I gave from the telegram. Mr. Hough is one of the prominent barristers and solicitors of Winnipeg and a man of the highest reputation. If he is dead, he has died within the last day or two. The telegram is signed by his firm, Hough, Campbell & Ferguson, and I am quite sure that any statement contained in it is true, because that firm would not lend its name to anything that was not true.

Mr. IRVINE: As we have not heard from these gentlemen for nineteen years, is it not to be presumed that they are dead?

Mr. CANNON: They cannot be dead if they present a petition to parliament.

Mr. SHAW: Mr. Chairman, I opposed this bill before the special committee, and I am opposing it here. If we must abide by the decision of a special committee, as the Minister of National Defence (Mr. Macdonald) suggests—

Mr. MACDONALD (Pictou): My hon. friend is not correct. I simply said that the usual practice was for the House to accept the report of a special committee that has investigated any bill unless some special circumstances were shown to the contrary.

Mr. SHAW: If the hon. gentleman is correct, then the question naturally occurs to me, what is the use of parliament? Let us have matters considered entirely by special committees and save our time in the House. For example, if the hon. gentleman's view is correct, the Church Union Bill should not have been discussed in the House at all because the special committee which considered it came to a very decided conclusion in the matter. Despite what he says, I think it is the right of this House to examine very carefully every application which seeks to renew the charter of any corporation which has not carried out the conditions on which its charter was granted. Now, this charter was granted in 1906—exactly nineteen years ago —and has been renewed every two years. It has been said that plans have been filed and that certain work has been undertaken in connection with the building of a road on that portion of the line extending up the Elk valley from Fernie. The line is proposed to be built from Calgary southward, crossing the Rocky mountains by the Kananaskis pass, and then down the Elk valley to the city of Fernie, B.C., a distance approximately of 150 miles. It is true that preliminary location plans have been filed with the Department of Railways and Canals. Hon. gentlemen will understand that these are not the final plans on which a railway company builds. I do not know how it was done, but the map filed, with all its contours and so on, looks to me as if it had been prepared by the Interior department, the route having merely been drawn in to indicate the approximate course of the proposed railway line. Several extensions of the charter having been granted, in 1912 the railway company made application to be granted a subsidy by the Dominion government under the provisions of the Subsidies Act, which act received the royal assent on April 1, 1912. Hon. gentlemen will recall that under that legislation a double subsidy was provided for, dependent upon the cost. The initial subsidy was $3,200 per mile, and under certain conditions that amount might be increased to a maximum of $6,400. The Calgary and Fernie company came under the provisions of that act, and I am going to read to the House part of the discussion in connection with the subsidy as reported in Hansard of 1911-12 at page 6323, volume 4:

43. To the Calgary and Fernie Railway Company, for a line of railway from a point at or near the city of Calgary, in the province of Alberta, in a southerly direction via Kananaskis pass and the head waters of the Elk river to or towards the city of Fernie, in the province of British Columbia; not exceeding one hundred miles.

Hon. gentlemen will recall my mentioning that the line was supposed to be 150 miles in length, but apparently the subsidy was granted only to the extent of 100 miles. Then the following discussion took place between Mr. Oliver—the Hon. Frank Oliver, former Minister of the Interior, now a member of the railway commission—and Mr. Cochrane, then Minister of Railways:

Mr. Oliver: What is the total distance from Calgary to Fernie?

Mr. Cochrane: The total length of the line will be 150 miles. I do not know whether that takes in the whole distance or not.

Mr. Oliver: Is this Calgary and Fernie Railway Company a subsidiary company of the Canadian Pacific Railway?

Mr. Cochrane: I never heard that.

Mr. Oliver: Has the company a federal charter?

Mr. Cochrane: Yes.

Mr. Oliver: How long has the company had a charter?

Mr. Cochrane: Since 1906.

Mr. Oliver: How many renewals have they had?

Mr. Cochrane: The company has given us the assurance that they will start right in on construction.

I desire to remind members that this is a discussion which took place in the House of Commons on March 27, 1912, and I would emphasize that statement made by Mr. Cochrane: "The company has given us the assurance that they will start right in on construction."

Mr. Oliver: Might I ask what is to be the policy of the minister in granting these subsidies? We are glad to see subsidies granted, and we want the roads constructed, but when a subsidy is granted on the assurance of the company that it is going on to do the work, will that subsidy itself be withdrawn and the rights of the company cancelled if they do not proceed with the work, and the way thereby cleared for some other company to go on with the construction?

Mr. Cochrane: There is a good deal in what the hon. gentleman says. The matter has been discussed across the floor of the House between the ex-Minister of Railways and myself, and while, perhaps, in every case, it should not be done, I think as a general policy it is a good thing. It will shut off charter speculation.

Mr. Oliver: Up to the present time this has been clearly a purely speculative charter.

That is the observation of the Hon. Frank Oliver to the then Minister of Railways, and that statement was made thirteen years ago.

Mr. HEALY: There has been a war since then.

Mr. SHAW: I am glad to have the assurance of the hon. gentleman in that regard. To continue:

Mr. Cochrane: We will give them this chance, and if they do not go on and construct we will say good-bye to them.

Mr. STORK: Question!

Mr. SHAW: I do not propose to let the hon. gentleman interfere with my argument for a single moment with any observations he may make of that character. Though his mind may be closed, I will read again for the benefit of those who may not have caught the significance of Mr. Cochrane's observations just what he said:

Mr. Cochrane: We will give them this chance, and if they do not go on and construct we will say good-bye to them.

Mr. COOTE: What did he mean by that —"we will say good-bye to them?"

Mr. SHAW: I take it in view of the context which I have already read that what Mr. Cochrane meant was that unless this company got on with the construction work, the company was going to be eliminated and that so far as its charter was concerned it would be taken away from them.

That, Mr. Chairman, is the situation that existed in 1912. Since that time this company has done nothing except file the biennial applications for charter renewal. I venture to say that not a single dollar outside of the legal expenses and the expenses incident to these applications to parliament has been spent since that occasion, and certainly I am quite sure that is true of the time previous to that.

Now in 1923 this company made applications for a further extension. At that time in the Railway committee I suggested that the two years would elapse, and in my judgment the application would be renewed for a further charter life without the expenditure of a single dollar. The application has been made. The representative of the company has admitted that not a single dollar has been spent in the interim and now this further application is made to parliament for the purpose of getting the imprimatur of this parliament to this further speculative venture.

The matter has received the attention of a considerable number of people in western Canada. The territory which this railway is supposed to traverse is a very desirable territory. The territory immediately southwest of Calgary is largely a farming country. Then there are not only oil fields further south between Calgary and the mountains, but in addition to that there is a considerable prospect of further oil development. I may say to hon. gentlemen for their information that one company alone is producing 300 barrels of oil a day from the natural gas which is there found. The mountain area is largely underlaid with coal, a variety of coal which is of exceptional value, being described I think by geologists as semi-anthracite, and considered as among the best of the varieties of coal we have in Alberta. There are several coal companies in there which have made considerable development. I know, for example, that Mr. P. Burns has a very large area of land, and he has gone to a great deal of expense in trying out and testing the coal area. On the other side of the mountains I am informed there are considerable forest areas, and that the lumbering industry would probably be valuable in that area. Now the people are anxious to have these areas developed. They are satisfied that they never will be developed so far as this railway company is concerned; they are satisfied this company will never put the railway through. It is the view of a great many that this is simply a speculative charter. We could not find out in the Railway committee the day before yesterday who the directors were. The gentleman representing the corporation simply told us they had spent $200,000, just when or where or how was not quite clear. He could not tell us the name of a single director, and yet in

the face of that the Minister of National Defence tells us that the Railway committee has carefully considered this application, and has placed its seal of approval upon this charter.

Mr. MACDONALD (Pictou): I said nothing of the kind. I said that that was the duty of the committee, and it was to be assumed that the committee did that.

Mr. SHAW: My hon. friend got up and asked the committee to pass this charter willy-nilly, and now I am telling him that as a matter of fact the representative of the company the day before yesterday in the Railway committee was unable to give the name of a single director. He told us all the information he had was that $200,000 had been expended, just when or where or how he did not know.

Mr. CANNON: If my hon. friend will allow me, I am a member of that committee, and I wish to say that the particulars as to directors were given to the committee. I would not have voted in favour of the bill if the conditions had been as the hon. gentleman represents them to be.

Mr. SHAW: Was the hon. gentleman present at the Railway committee meeting?

Mr. CANNON: I was.

Mr. SHAW: I am sure the hon. member for Medicine Hat (Mr. Gardiner) who made the inquiry did not get the information.

Mr. CANNON: If he did not get it, I got it.

Mr. SHAW: My recollection is that not the name of a single director was presented to the committee by that gentleman.

Mr. POWER: Have you got that information now?

Mr. SHAW: I have the information from the hon. member for South Winnipeg (Mr. Hudson).

Mr. POWER: Then what are you kicking about?

Mr. SHAW: —who read from a wire he just recently received apparently from Winnipeg.

Mr. CANNON: I do not want to interrupt my hon. friend, but I do not want him to represent things in the Railway committee as he is doing before this House, as if the members of the Railway committee were absolutely absurd and ridiculous and voted for things they knew nothing about.

Mr. SHAW: It is not my duty to make any reflections on the Railway committee.

Mr. CANNON: You had better not.

Mr. SHAW: I am not afraid to; don't worry about that.

Mr. CANNON: We are not absolutely stupid!

Mr. HEALY: Would the hon. member please read the letter which the solicitor who appeared before the committee said he had furnished him with, or that Mr. Hough had furnished him with, giving full particulars?

Mr. SHAW: I am glad the hon. gentleman has directed attention to that. The gentleman representing the company suggested that a letter had been written to me by Mr. Hough a lawyer of Winnipeg in connection with this matter. I would like this committee to know that the letter was written two years ago at the time this charter renewal was up. I suggested then that there was no possibility of this company doing any work, and I asked Mr. Hough who was here then representing the company to give me a letter which would satisfy me that they really intended to do something, and in the letter—I speak entirely from recollection and from the observations made by the representative of the company in the Railway committee—it was pointed out that $135,000, not $200,000 had been spent. It was also pointed out that the money was available over in England; that all they needed was the granting of a charter and money was coming, oceans of it, for the purpose of carrying out this venture. I ask the hon. member for North Essex (Mr. Healy) if he is satisfied with the bona fides of this company? After the statements presented to me upon which I relied, and upon which I think I had a right to rely, I did not raise any objection, although I was urged to make objections to the passage of the bill at that time, and I withheld my hand, having faith in the observations which were made to me by the gentleman associated with the bar at Winnipeg.

Mr. GARLAND (Bow River): At that time you received this definite assurance that all they required was the renewal of the charter and that oceans of money would come from England to complete the work? Has any work been undertaken in the two years that have elapsed?

Mr. SHAW: No, I think that is admitted by the representative of the company. No work whatever has been undertaken in the

last two years, indeed for years past. Now, this matter has been under consideration by various people in western Canada, and I want to give the committee the benefit of their observations. These people are on the ground and know the situation. I think if parliament wants to do its duty it should pay due respect to the requests which they make. I have a letter from the city clerk of Calgary, under date of March 31 of this year, in which he writes to me as follows:

Dear Sir,

Re. Calgary and Fernie Railroad Charter

At the regular meeting of council, held last evening, a communication from the secretary treasurer of the Union of Canadian Municipalities was placed before the council for its consideration. This communication pointed out that the Calgary and Fernie railroad company was again applying for an extension of time in connection with their charter for the construction of this line. It appears that the original charter for this railroad was granted in 1906, and a series of ten extensions have taken place up to the present time.

I just interject here that I think, as a matter of fact, eleven extensions have been granted.

In this connection the city council passed the following resolution, and instructed me to forward copy of it for your information, in order that you may be able to advance the city's wishes when same is brought before the House:

"That this Council go on record as being opposed to any further extension of the charter of the Calgary and Fernie railway."

That, Mr. Chairman, is the considered view—the unanimous and considered view—of the city council of Calgary. But, sir, I do not rely entirely upon the observations in this regard made by the council of that city. I have in my hand a letter written by a farmer of the district to which I referred immediately south of Calgary. He points out numerous facts—I will not take up the time of the committee by drawing attention to them—with regard to valuable areas of agricultural and mining lands through which this railway will pass. He ends up by saying:

The charter of the proposed railway has been in existence since 1906, and has already had eleven extensions, and since the prospects of this company building, or even starting to build, are very remote, the settlers urge the recision of the charter to give another corporation the opportunity of applying for a charter and getting started to build a road of which we are in need.

I have a further letter signed on behalf of the Fernie Board of Trade by J. Fred Spalding, secretary, to the following effect:

There have been persistent rumors during the past two years that commencement was to be made at once. None of them however have brought a commencement and apparently it is just as far off now as it ever was.

May I read now, a letter received by me from an ex-mayor of the city of Fernie? As I have already suggested to the committee, Fernie is the southern terminus of this railway. The gentleman is Mr. Henderson, and under date of June 9, of this year, he writes as follows:

I am informed that that Calgary-Fernie Railway Company is applying for a renewal of its charter for a further period.

I have lived in Fernie for the last twenty-five years, and am thoroughly familiar with the local situation. I acted as mayor of the city of Fernie during the years 1920 to 1924, and at the present time am the police magistrate there, so that I have had the fullest opportunity of knowing intimately the facts in connection with the railway proposed to be built by the Calgary-Fernie Railway Company.

This railway was intended to be built down the Elk valley and thence into Fernie. A provincial wagon road extending forty miles north of Michel (20 miles east of Fernie) had been built up the Elk valley. I have travelled on this road and have not seen the slightest evidence of any railway work whatever being undertaken in this valley.

Two years ago, at the time when this company was applying for an extension of their charter, we were informed that the company had a large sum of money available, and that as soon as the charter extension, then applied for, was granted work would be promptly undertaken. It was also suggested that one Broley by name had the contract for this proposed work. No one seriously expected that anything whatever would be done and in the intervening two years I am quite certain that not a single dollar has been expended on this railway.

Under the circumstances, and in view of the many renewals which have been granted to this company, I do not personally think the charter should be extended.

Yours very truly,

G. G. HENDERSON.

Now, Mr. Chairman, there you have the considered views of public organizations, of Mr. Henderson, and of a very reputable farmer in that district who speaks, or purports to speak, on behalf of the farming community south of Calgary. I think it would be very unwise, in view of the statements which I have made, in view of the facts that have been elicited in connection with the application, for parliament to again renew the charter of this corporation. I venture to say that two years from now this company will again come to parliament asking for a further renewal, that in the intervening time not a single dollar will be spent. More than that, I am satisfied this company is simply holding the charter. Mind you, I do not blame them for getting away with it if parliament is foolish enough to grant this extension, but I do not think it is.

Mr. POWER: I rise to a point of order. The hon. member has no right to say that parliament is foolish. It may be, but the hon. member has no right to say it.

The CHAIRMAN: Perhaps the hon. gentleman will use the word "unwise."

Mr. SHAW: I did not suggest that parliament was foolish, I suggested that parliament would not be so foolish as to grant this extension, and that despite the views of the hon. member for Quebec South. What I want to convey to the committee is this: Here you have representative men, representative organizations, the Board of Trade of Fernie and the Calgary city council disapproving of a further charter extension. In view of those representations, in view of the fact that the charter has been renewed since 1906, in view of the fact that, although they were entitled to a subsidy, they never got nor claimed a single dollar under that subsidy arrangement, is it wise for this parliament to renew the charter? I believe the charter should not be renewed, and parliament will be remiss in its duty if it seeks to place a further extension of the charter into the hands of those who are interested for speculative purposes in promoting their own interests. Therefore, I seriously and sincerely ask the committee not to approve this bill.

Mr. BOIVIN: Does the hon. member know of any company or corporation ready and willing to advance the money and construct the line within the next two years, or would it be his intention to have it constructed, like many other western branch lines, by the Canadian National Railways?

Mr. SHAW: I have no objection, if the Canadian National Railways want to undertake the work and they are satisfied that it is a legitimate and proper enterprise, that they should be given a privilege in that field. That would be the logical thing to do. The hon. gentleman has asked me whether or not there is any other corporation ready to do the work. That is his test as to what this parliament should do—go on doing a bad thing because there is no organization in sight, so far as we know, which will undertake the construction of that particular railway. That is not the test at all. How do we know how many organizations or corporations there may be that, if they were not prevented from entering this field by this charter, would be willing to undertake the work.

Mr. HUDSON: Is this charter a monopoly? Does it exclude other companies?

Mr. SHAW: In law it does not, but in fact it has that effect. My hon. friend shakes his head; but if he will refer to the discussions that took place in 1912 just on the particular subsidy arrangement I have spoken about, he will find it is clearly set out there—

Mr. HUDSON: If it carried a subsidy, it would, but without a subsidy, it would not.

Mr. GARLAND (Bow River): Is it at all likely that any other company or group of men would undertake to ask for a charter? Does the hon. member think parliament would even grant a charter in this same area so long as this charter stood?

Mr. SHAW: The hon. member for Bow River has probably made much clearer than I could the exact situation. No company will venture into that field with an already existing charter. They will be forced practically to buy out this particular charter.

Mr. CANNON: Why buy it out?

Mr. SHAW: That is the only practical solution of the situation so far as they are concerned. I should like to remind my hon. friend that only the location plans have been filed, and the result is that this company can vary its construction within a certain radius, I do not know what it is. That is, their construction plans may be within a certain area.

Mr. CANNON: Is this an exclusive charter?

Mr. SHAW: Nobody suggested that it was; but I am telling my hon. friend, if he will have patience, the exact situation. The fact is that these railway charters, when granted in this way, have the effect of keeping other legitimate railway corporations out of the field.

Mr. CRERAR: I was not present when this bill was before the committee. What reasons were advanced by the advocates of the bill why they were unable to go ahead?

Mr. SHAW: Two years ago when the matter came up in the Railway committee, the company stated that nothing stood in the way; that the money was available in England; that all they needed was for parliament to grant the extension and then the work would promptly proceed. I think they also said at that time that the work had been contracted for to this man Broley, this man of straw apparently, in Fernie, according to the statement of ex-Mayor Henderson. This time I understand the difficulty to be, if I caught it correctly, that money exchange conditions, with which they must have been thoroughly familiar when they made the application to parliament in 1923, had militated against their getting the money on anything like favourable terms. That is what I gathered as the reason given.

Mr. EULER: Is this the first renewal?

Mr. SHAW: No. The company was granted this charter in 1906. This is the eleventh or twelfth extension. We must treat these matters seriously. If we are going to grant charters to quasi-public corporations of this character, let us do so seriously. Let us not undertake to promote any speculative enterprise, whether it suits private interests or not.

Mr. CANNON: Can the hon. member state any private or public interest which would be hurt by the granting of the renewal of this charter?

Mr. SHAW: I do not know that I could undertake of my own knowledge to mention any public or private interest. The interests of parliament, more than any other, will be hurt. Parliament should not lend itself to speculative charter renewals of this character. We should seriously view our obligations in this regard and give life only to legitimate enterprises. I use the word "legitimate", not offensively, but to distinguish a speculative enterprise from one that contemplates actually undertaking the particular work.

Mr. POWER: Now that it is almost nine o'clock, will the hon. member be kind enough to tell us just why he is opposed to the granting of this charter?

Mr. SHAW: I fear the hon. gentleman was not in the chamber when I explained the matter, and I would not like to take time in order to explain it for his information.

Mr. COOTE: Coming from a constituency which this railway, in part, proposes to traverse, I feel it is my duty to oppose the renewal of this charter. The people who live in the district where this road is proposed to be built have, I think, given up any hope they may have had of the promoters of this enterprise ever building a railroad . The hon. member for West Calgary (Mr. Shaw) pointed out that the original charter was granted in 1906, and if these gentlemen had had the faintest intention of doing anything with their charter in the way of constructing a railway, they certainly would have some road constructed by this time. In answer to the hon. member for Dorchester (Mr. Cannon), I would say that if this charter is granted, in my opinion it practically grants the exclusive right to build a railway through this territory. It traverses a hilly or mountainous country nearly all the way from Calgary to Fernie, and the railway must follow the route which naturally lends itself to railway construction.

9 p.m.

The CHAIRMAN: The hour for private bills has expired.

Progress reported.

DOMINION ELECTIONS ACT AMENDMENT

The House resumed consideration in committee of Bill No. 148, to amend the Dominion Elections Act, Mr. Gordon in the chair.

On section 1—Urban polling divisions.

Mr. POWER: At six o'clock I was about to offer some remarks in support of those made by the leader of the opposition (Mr. Meighen) in which he opposed the amendment which substitutes, for 2,500, 5,000 electors to be registered in rural polls. The reasons given by the leader of the opposition seem to me to be conclusive. It is all very well in rural districts to allow people to come in on election day and after taking the oath to vote. But in districts of any size one man may not know his neighbour, and particularly is he not permitted to know his neighbour's wife; so that the chances are very great of a large number of fraudulent votes being polled. It seems to me that the proper course for the committee to take would be to leave the 2,500 in the bill. In a village or municipality of 2,500 people, I can quite understand that the citizens would be known to one another; but in any place very much larger I greatly fear that the way would be left open to abuse. Particularly would this be so in municipalities, towns or villages situated adjacent to large cities where there is a more or less moving population. I think that possibly the chief electoral officer in making the recommendation contained in this section did not consider the matter carefully. Evidently he had too great trust in human nature and was not aware of the extent to which certain people carry their patriotism and their desire to help the country's business through their willingness to vote more often perhaps than the law considers judicious.

Mr. CALDWELL: I want to add my objection to those advanced to this section. It is, I think, opening up a chance for abuse in the running of elections and the government would be well advised to leave the section as it was before. Having had experience in two elections I know something of

the tactics of those at least who were my opponents, and even with the act as it stood before I found that they were able to poll votes in two and sometimes in three places. I do not think that the door should be left open at all to abuse in this direction.

Mr. BROWN: I feel like those who have objected to the section. It is true that I was a member of the committee that considered the bill, but the circumstances were such that I was unable to attend the sittings and therefore I am more free to object to this section than if I had sanctioned it in the committee. It was with a good deal of hesitancy that we permitted into the Elections Act the principle of swearing in voters, but I am quite willing to admit that there are some advantage to this where it is used under proper safeguards. Certainly it has the effect of ensuring that men and women otherwise entitled to vote shall not be deprived of the opportunity of voting. In the last election there were many instances that came under my notice where names had been left off the list or where they were not properly on the list through some inadvertence on the part of the officers. But the fact that these men and women were allowed to be sworn in at the proper polls on election day secured them the privilege of which they would have been deprived otherwise. That is a perfectly safe practice in rural districts where everybody is known to everybody else, but I am sure that it would be unwise to extend the present provision any further.

Mr. BOIVIN: Does the hon. member not think that in towns of less than 5,000 everyone knows everyone else?

Mr. BROWN: No.

Mr. BOIVIN: That is the case in my town.

Mr. BROWN: Twenty-five hundred is a reasonable limit.

Mr. STEWART (Leeds): There is a good deal to be said in favour of the amendment, which was carefully considered by the committee. In answer to the objections that have been made, I would remind hon. members that the person being sworn in must be vouched for by someone whose name is on the list; both parties must be sworn before any vote can be registered by the person whose name does not appear on the list. Let us see the difference betwen rural and urban registration. Under the law as it existed before, in any municipality of over 2,500, any person desiring to have his or her name put on the list must personally appear before the registrar, and that involves a great deal of trouble as well as considerable expense to those responsible for the registration. There are many voters, particularly since women have been given the privilege of voting, who are not in a position to go to the town hall, or wherever the registrar keeps office, for the purpose of having his or her name recorded. And unless that is done the person whose name is omitted may not vote in an urban district. In the rural district, on the contrary, it is the business of the enumerator to go from house to house to secure all names and put them on the list, and if a name is omitted in a rural district then the vote may be sworn in as indicated. Now, by extending this same practice to municipalities of any population up to 5,000 we are overcoming a great deal of difficulty; we are getting rid of a good deal of work on the part of those responsible for the registration and are not opening any door to fraud at all. After all, a municipality of 5,000 is comparatively small; and as I have already pointed out, no one may vote on election day unless vouched for by somebody whose name is on the list. If this section is adopted it will reduce trouble and expense in connection with registration; it will obviate the inconvenience to which the law as it now stands gives rise; and it will enable a great many people who otherwise would not be able to vote to take advantage of the ballot. In view of all these considerations and others that might be urged, I think it is wise indeed to extend the scope of the section and put the maximum at 5,000 instead of 2,500.

Section agreed to.

Section 2 agreed to.

On section 3—Newspapers, etc., required to disclose by whom articles, etc., having reference to an election, are paid.

Sir HENRY DRAYTON: There should be an elaborate explanation, in the eloquent language of the Secretary of State (Mr. Copp), of what all this mass of English is supposed to mean.

Mr. COPP: Section 5 of the original act provides:

> Every printed advertisement, handbill, placard, poster or dodger having reference to any election shall bear upon its face the name and address of its printer and publisher, and any person printing, publishing, distributing or posting up, or causing to be printed, published, distributed or posted up, any such document unless it bears upon its face such name and address is guilty of an offence against this act punishable on summary conviction as in this act provided.

It is proposed by the present amendment to repeal that subsection 5 and add a number of subsections to it, so that newspapers or other publications publishing election matter, cartoons or other election documents, which are described as election matter—

Sir HENRY DRAYTON: I suggest to the hon. minister that he take it section by section, and when he is dealing with the first clause will he say what a future candidate is, and how he may be defined?

Mr. COPP: I point to my hon. friend. In all probability he is a future candidate.

Sir HENRY DRAYTON: I am the present candidate.

Mr. COPP: Present representative.

Mr. FORKE: The woods are full of them.

Mr. STEWART (Leeds): I submit that this section as proposed is bound to cause an immense amount of difficulty, inconvenience and uncertainty among candidates. It appears to me that section 5 of the act as it stands affords a reasonable measure of protection, because all documents must bear the name of the printer and the office where they are printed; so that it is pretty easy to obtain that information, and there is a measure of responsibility in the source of these documents. The section which is proposed in place of this simple section which now appears in the act is very complicated and involved. It is difficult for even a lawyer trained in interpretation to understand it. I do not profess to understand it, although I have spent a good deal of time trying to do so. I know there will be many candidates who will have greater difficulty than I had in interpreting it. Many of them will not be able to understand it at all. I am afraid it will cause a great deal of trouble, and compliance with it will be practically impossible.

Mr. MANION: I read this section and I must confess when I got to the end of it I had no idea what the beginning was about, and I thought perhaps it was due to my density, until I heard my hon. friend who has just spoken, who admits he is a lawyer, claim that he did not understand it. Under those circumstances I think it is about time to go back to the simpler language of the original clause. If a lawyer who was on the committee and has been studying the proceedings before that committee and listening to the explanations of the electoral officer cannot understand this section, surely it would not be interpreted properly by any ordinary candidate who has not a legal mind to apply to this clause.

Mr. STEWART (Leeds): I move that we strike out section 3 of this act, which leaves section 5 as it stands at present in the Elections Act.

Mr. MEIGHEN: Is the minister who is sponsoring the bill not able to tell us what this jumble of words means? I direct his attention to the first few lines which read:

> Election matter includes every reference or comment expressed or indicated in words or pictures, to or upon the selection of a candidate or candidates at any election the character, action or policy of any past, present or future candidate or candidates, the conduct or anticipated conduct of the supporters of any candidate or candidates the administration of any election or any subject in issue or suggested as being or having been in issue at any election.

Then the exception is still more marvellous than the sweep of the first inclusive clause, it says:

> But shall not include references or comments of a historical or literary character—

My goodness, that is everything. What comment would there be that would not be of a literary character? Of course it might be of an "illiterary" character.

> To of upon past events of notices—

That word "of" should be "or", I think.

> Or notices or advertisements of future meetings containing nothing calculated to affect opinion.

The latter exceptions are understandable, but that first exception would to my mind wipe out all that was ever in it.

Mr. COPP: The draft of the bill was brought before the committee on Privileges and Elections and we had several meetings in connection with it. The original section of the act was thought not advisable, and the committee asked the officers to draft a section that would cover as nearly as possible what would be in the interests of the carrying on of the election, so that everything would be properly considered in regard to advertising in newspapers and periodicals of the country.

In the present act there is a short clause in regard to this matter, and it was felt that newspapers and periodicals of all characters, which are using their columns for the purpose of advertising election matters on behalf of any candidate, should be asked to give to the public the information as to who is paying for it, whether it be the candidate himself or somebody on behalf of the candidate, corporations or otherwise. So far as

the government is concerned, we only desired to get some amendments to the Elections Act, and all of these amendments with the exception of one or two, were advised by the Chief Electoral Officer in charge of the administration of the act. I am not particularly wedded to this section or any particular section of the bill, but I am simply desirous of getting the best election act we can in the interests of the proper conduct of elections in the future. This section might be studied a little more. My hon. friend was a member of the committee where this matter was very carefully considered, and it may not be just as complicated as it looks on its face. However, we might let that section stand and go on with some of the others.

Sir HENRY DRAYTON: Will the minister have pity on the committee and point out what it means? Will he tell us what he is trying to do? Will he tell us what the penalties mean and why the election of a candidate would be void under subsection 7 if the newspaper contractor does not file his affidavit? I would like him to tell me that from the act.

Mr. COPP: I do not think that could be the intention.

Sir HENRY DRAYTON: Why not? The reason I ask the question is because it was put up to me by one of the members who has been working hard to try and find out what it was. I told him that in my view it referred only to where the publication was printed. He retorted, "Well, you prepare the notices yourself, you revise them after they have been typewitten, and then you give them to the newspaper, but if the newspaper does not file the affidavit you become liable for a non-indictable offence and punishable on summary conviction." Does the government really want to do that?

Mr. STEWART (Leeds): Mr. Chairman, I would point out the effect of subsection (6) and (7). Subsection (6) reads:

When any publication other than a periodical contains *any election matter, there shall appear on the title page or the face of the publication a statement showing the name and address of the persons who have paid or agreed to pay the expense of the issue or distribution of such publication,—

Let us assume a candidate wishes to distribute some memorandum to his workers, he will have to insert on the front page a statement that it is to be paid for by himself. If that is not done, subsection (7) provides the penalty, and it goes even further:

(7) If in any periodical or other publication any election matter is inserted or appears contrary to the provisions of this section, or without the statement hereby required, every one who prepared or revised the copy for such election matter, the owner or owners, and the publisher of such periodical, every one who has received or become entitled to receive payment under any contract for the printing of such other publication, every one who has distributed, posted up or exhibited or caused to be distributed, posted up or exhibited such other publication, and every one who, with knowledge that it contains election matter, has distributed such periodical, shall be guilty of a non-indictable offence under this act punishable on summary conviction as in this act provided.

Now if any candidate acting in the best of faith prepares any pamphlet or document and distributes it to his workers or any body does it on his behalf, and it does not contain this statement, or the act has not been complied with, he is liable to a penalty. It seems an absurdity.

Mr. RYCKMAN: Mr. Chairman, I was a member of this committee, but was only able to attend one of its meetings owing to their clashing with the meetings of other committees. I never saw the section before; if I had I would have opposed it. This section is really wonderful. If any reference were made either to Sir John A. Macdonald or Sir Wilfrid Laurier in any newspaper published in the Dominion, as both of them come under the definition of "candidate" as given in the Elections Act of 1920, the publisher responsible would be liable to one year's imprisonment, with or without hard labour, if he had not filed the required affidavit with the Secretary of State. In my opinion there is no escape from that conclusion. I submit that if any member of this House, be he lawyer or layman, reads this section five and comes to the conclusion that it means anything else than what I have stated, the committee might entertain it; but frankly, within my experience I have never seen such a piece of draftsmanship.

Mr. COPP: If there is any particular objection to the clause on the ground of its being unreasonable or unworkable, I am willing to withdraw it. It was discussed very carefully in committee and recommended to the House for consideration.

Mr. GOOD: Have any abuses developed that would make necessary such a drastic provision as is here proposed?

Mr. COPP: I do not know of any definite cases.

Mr. BLACK (Yukon): Mr. Chairman, section 3 of the original bill was not satisfactory to the committee, and it was left to the Chief Electoral Officer to draft another section to take its place. For my part, I cannot see that the new section is any more acceptable

than the original. Perhaps the Secretary of State can tell us of something that has happened at elections in the past which makes this section necessry.

Mr. COPP: I have not any definite cases in regard to it.

Amendment (Mr. Stewart, Leeds) agreed to.

Mr. IRVINE: Mr. Chairman, at this point I desire to move an amendment to a section with which the bill does not deal, and I think it will come most fittingly at this point. It is a very simple amendment in these words:

That the bill be amended by inserting the following as section 3:

Subsection (1) of section 10 of the said act is amended by inserting the words "or a labour union" after the word "alone" in the third line thereof.

Hon. members will recall that I introduced an amendment to the Elections Act early in the session asking that sections ten and eleven be repealed. I ask that section ten be repealed on the ground that it imposed an undue hardship on labour unions, inasmuch as they are prohibited, except they are incorporated for political purposes, from contributing to election funds. The amendment was defeated. I am now asking that labour unions be excepted from that prohibition. If my amendment carries, section ten would then read:

No unincorporated company or association and no incorporated company or association other than one incorporated for political purposes alone or a labour union shall, directly or indirectly, contribute,

and so on. I do not think it is necesary for me further to explain this amendment. I debated it early in the session. I would urge that inasmuch as it does not appear to be the intention of those who drafted the original act to impose any hardship on labour unions, this committee would do well to remove the prohibition by passing the amendment which I have proposed.

Mr. MACDONALD (Pictou): Mr. Chairman, I rise to a point of order According to the hon. gentleman's statement, early this session he made an attempt to amend the Elections Act along the lines which he is proposing now, and he was then defeated. Under the rule he cannot bring the same subject twice before parliament in the same session.

The CHAIRMAN: May I ask the hon. member where was the former amendment submitted? By what body was it dealt with?

Mr. IRVINE: The bill referred to was dealt with by this parliament at the beginning of this session. It provided for the repeal of section 10 which I now ask to amend. I do not however, think this amendment is out of order, inasmuch as it adds a phrase, while the bill moved previously was drawn to repeal the whole section.

Mr. SHAW: My recollection of the occurrence is that the hon. member for East Calgary (Mr. Irvine) introduced a bill to accomplish the purpose he now seeks to accomplish, and the hon. Solicitor General suggested, I think, that the matter should be dropped as amendments were in contemplation to the Elections Act and that that would be the appropriate time at which to present his proposal.

Mr. MACDONALD (Pictou): Was not the bill defeated? The member himself said it was.

Mr. SHAW: I rather think he is in error in that.

Mr. LAPOINTE: Why should an exception be made of labour unions any more than any other unions, the Manufacturers' Association, for instance, or any other organization of that character?

Mr. IRVINE: The answer to that is that the minister, or those around him at least, objected to the proposed amendment brought in earlier which made no exception of any class. I am not anxious to get a privilege for labour. I would like to see the whole section repealed. I do not want the Manufacturers' Association, for instance, to be prohibited from contributing to election funds. Why should they not contribute? The whole section assumes that elections in this country can be won by the power of money. I do not believe they can be won by money, in western Canada at all events, but I do say they cannot be won without money, and you are making it very difficult for one section of the community to collect any money for this purpose. I say this section can be got around, and that you have here an act which compels people to be criminal. What is the use of keeping a stupid thing like that on the statute book? Why not remove it?

Mr. MEIGHEN: I have considerable sympathy with the attitude of the hon. member for East Calgary (Mr. Irvine). I think myself the act is too restrictive, too detailed, too multiplied in its definition of crimes and offences, and after this bill goes through it is going to be far more so. Under our Elections Act to-day, if you print a bill, if you pay something that is quite legitimate and forget about it, if you wear a red ribbon or a blue ribbon or a red tie, in fact, if you do anything

except stand in an attitude of prayer you have got to go to the penitentiary. The fact of the matter is we have legislated everything into a crime in connection with an election until if a man were to study the act for half a lifetime he could not possibly comply with it. He could not do it.

Mr. CANNON: Nobody does.

Mr. MEIGHEN: Nobody does, with the result that not only are those acts which a normal man would consider quite legitimate perpetrated day in and day out, but the most brazen offences are perpetrated. What I rose to say is this: If instead of these minute provisions which we solemnly pass just as if they were never to be looked at again, we would make it the duty of the general returning officer to see that there is some decent obedience paid to sensible provisions, make him an administrative officer, and not let it be possible again for hordes of "telegraphers," impersonators and all manner of beings to rush from poll to poll and put votes in from morning to night, with all sorts of affidavits taken that are not affidavits at all, with judges signing certificates without ever seeing what is in them, signing purely blank papers—in a word making the whole act a farce at the hands of subordinate election officers—if it were made the duty of the general returning officer to look after these things, instead of the mere watching and legal supervision of some sort of proclamation and the posting of it up at the right time, then we would get some results from the act as it is. I would like to see the general returning officer made responsible for the fair decent conduct of elections, and not just be merely a sort of law clerk watching the legal administration of the technical provisions of a very involved statute.

There may be some clauses of this bill that are unobjectionable, perhaps some that may be useful, but from what I have seen of it so far, it is simply fussing away about little things we really do not need to bother about, while the great big offences are allowed to go unscathed.

Mr. FORKE: Personally I have no objection to section 10, which makes it a criminal offence for the Manufacturers' Association and any similar organization or union contributing to political funds being withdrawn altogether. I was glad to hear the leader of the opposition speak as he did, because if I recollect rightly that section was inserted during his regime, and we were just a little suspicious in the west at that time as to the purpose for which it was put in the act.

Mr. MEIGHEN: What section?

Mr. FORKE: The section making it an offence to contribute to political funds.

Mr. MEIGHEN: Oh yes, I think we were super-virtuous.

Mr. FORKE: I do not wish to make any lengthy remarks. I am glad to support the suggestion of the hon. member for East Calgary.

Mr. BROWN: With regard to section 10 being put in the act under the regime of the leader of the opposition, it is true there was in the act that preceded this a clause that had reference to contributions by certain business organizations, but the change that was made in the wording when this amendment was inserted with reference to associations incorporated for political purposes alone, left the impression on our minds that the change was designed to affect the farmers' organizations in the west, which were then beginning to have a great deal of influence. It is true we got over the difficulty by incorporating ourselves after a great deal of trouble, for political purposes, thus achieving the end we had in view. It put us in the position of doing what we were doing perfectly openly, while the large corporation could do all they wanted to do in that way and yet keep it entirely secret.

Personally I have no objection to the whole thing being wiped out. I have no objection to the Manufacturers' Association contributing money for political purposes if they see fit to do it, and they do do it, and all the other organizations do it, and I do not see how it is possible for us to provide an act that will stop it. As regards the farmers' organization they were put to a great deal of trouble and difficulty and had to devise ways and means of getting over the act.

Some hon. MEMBERS: Oh, oh.

Mr. BROWN: We did not get over it, we simply incorporated for political purposes only in order to comply with the law, but it put us to a great deal of trouble and unnecessary expense. As far as the money spent in our constituencies is concerned, I know it does not all appear in the statements that are made to the electoral officers.

The CHAIRMAN: I should like to deal with the point of order, unless some other hon. member desires to speak on it.

Mr. MEIGHEN: I did not know there was one.

The CHAIRMAN: Yes. The point of order has been raised that the amendment moved by Mr. Irvine, having been voted on in the House and dealt with, the question cannot be re-introduced at the same sitting.

Mr. GOOD: In regard to the point of order, can you tell the House whether the motion was agreed to or withdrawn?

Mr. MACDONALD (Pictou): I raised the point of order on the statement made by the hon. member for East Calgary himself.

Mr. GOOD: Was the motion defeated?

Mr. MACDONALD (Pictou): It was defeated.

Mr. SHAW: Speaking to the point of order, I should like to point out that the bill introduced by the hon. member for East Calgary proposed to wipe out in their entirety sections 10 and 11 of the Elections Act. The amendment which he now proposes is to insert a few words in the existing section 10. It cannot be said that this particular matter has previously received the consideration of the House.

Mr. BOIVIN: I should like also to say a word on the point of order. I am not very particular whether or not the amendment was withdrawn previously or voted down by the House, but I claim that the motion made by the hon. member for East Calgary is not in order because it is not an amendment to the bill now before us. The bill which the committee is now considering is Bill No. 148, an Act to amend the Dominion Elections Act, and while any hon. member has the right to make an amendment to any clause contained in this bill, the fact that the hon. Secretary of State brings down an amendment, or three or four amendments, to the Elections Act does not give an hon. member the right to propose any amendment he may desire to make to the original act and oblige the members of this House to vote upon a measure which otherwise that hon. gentleman would be obliged to introduce as a public bill. I contend that the amendments to this bill must be relevant to the measure as introduced, as read a first and second time, and as now on the table for consideration, and that any amendment to any other clause of the Elections Act is out of order.

The CHAIRMAN: I feel that this question is not the same as the one previously dealt with. Bill No. 5, as introduced by the hon. member for East Calgary, provided:

That sections 10 and 11 of the Dominion Elections Act, chapter 46 of the statutes of 1920 are repealed.

That is the whole bill, and that bill was negatived on February 19, 1925. This is not the same question by any means because it provides for the insertion of certain other words. I am inclined to think that this amendment is relevant because it deals with the right of corporations to make contributions. It seems to me, therefore, that it comes within the rule as to relevancy.

Mr. BOIVIN: I should like a ruling on the point I have raised. That is on the question of relevancy to this bill. The point that I raise is, not that the matter has been debated before, but that the amendment proposed by the hon. member is not an amendment to the bill before the House. It is an amendment to the Elections Act but not to the bill which is now under consideration. I claim, therefore, that if the hon. member for East Calgary is allowed to make this amendment every other hon. member will have the right to propose any amendment that he may desire to the Dominion Elections Act.

The CHAIRMAN: No. I should just like to draw the hon. member's attention to the fact that the bill before the comittee is a bill to amend the Dominion Elections Act.

Mr. BOIVIN: Absolutely.

The CHAIRMAN: The hon. gentleman is not seeking to amend the original Dominion Elections Act.

Mr. BOIVIN: Yes.

The CHAIRMAN: No, he is seeking to amend Bill 148.

Mr. BOIVIN: Not at all; he wants to add a new section to this bill.

The CHAIRMAN: Let me read the amendment to the hon. gentleman. Perhaps he did not hear me read it. Mr. Irvine moves:

That the bill be amended by inserting the following as sub-section 3a of bill number 148.

If it was not in the form in which it is, the hon. gentleman would be quite right.

Mr. BOIVIN: If the Chair would allow me to continue the discussion on my point of order, here is what I would like to point out: The rules of this House provide certain times for the discussion of government orders and government bills, and certain other times for the discussion of public bills. Any bill

[The Chairman.]

to amend a public act introduced by a private member is a public bill, and must be introduced at the time fixed for public bills. I maintain that if, when the government brings down an amendment to any act on the statutes at the present time, any hon. member can, by amending that bill, move to amend any other clause of the act, we are getting away from the principle which has been established since confederation, and we are allowing every hon. member to take advantage of a government bill to amend the entire act under the guise of amendments to that bill. I claim that if a private member desires to amend the Elections Act, or any other act, he must do so by introducing a public bill on his own responsibility and under his own name. If he desires to amend any clauses in this bill he has a perfect right to do so; but he has no right to amend the Elections Act under the guise of an amendment to this bill which does not relate to the bill at all.

Mr. MEIGHEN: I think the hon. member for Shefford is putting too narrow an interpretation on the power of amendment. What he is saying is that the amendment that is offered is rather an amendment to the original act than it is to this bill. Well, if what he argues is correct, it means that when a bill is introduced to amend a public act that bill cannot be amended except by striking something out or changing the words, cannot be amended by adding something else. I have never myself, in the practice of this House, seen so close an interpretation as that given. If the government brings in a bill to amend the general public statutes I would not like to say it opens the door to every possible phase of that original statute being amended—although it may; I would not say it did not—but it does certainly give pretty wide opportunity to an amendment to the bill. There has never been a rigid ruling that it must very strictly pertain to any single section.

Mr. BOIVIN: I should like to put a question on the point of order to my right hon. friend. If this amendment is in order and if the opposition, for instance, desire to hold up the business of this House—I do not say that they have ever desired to do so, but let us suppose they did or that there is a deadlock between two parties in this House no matter which party may be in power—if this amendment is in order I maintain that the opposition could move an amendment, under the guise of an amendment to this bill to every clause and every article of the Elections Act. If this amendment is in order then every other amendment so moved by the opposition would be in order, would be debatable, and the business of this House would be held up for months. This is the principle which I think should be kept in mind when this point of order is to be decided. I quite agree with my right hon. friend, the leader of the opposition, that if the addition of a clause to this bill was for the purpose of clarifying it, or explaining anything contained in the bill, then the motion to add a clause would be in order. But if it does not have that effect and it interjects into this bill a matter that is not at all there at the present time it cannot be done under the guise of an amendment; it should be done by a public bill. A public bill requires notice, and if a public bill requires notice this amendment at least requires notice. No notice of this amendment was ever given. If it were accepted all kinds of amendments to public acts could be made without notice.

Mr. MEIGHEN: I think the hon. member will find that he can insist on notice; but he will search the records of this House a long while to show where any motion amending a public bill, or adding or substracting from a section—I should say adding alone to that section—of that amending bill has been ruled out because it is really an amendment to the original statute.

Mr. BOIVIN: I do not pretend that.

Mr. MEIGHEN: I do not think you will ever find a single case.

Mr. BOIVIN: I have never pretended that.

Mr. MEIGHEN: Certainly if you could hold up government legislation by amendments ad infinitum, then the only recourse would be to the closure. But because you show it is in the power of an opposition to hold up the government you do not make an argument against the admission of an amendment. There is a means of overcoming that but the House has always admitted amendments to the general act when a bill to amend it was before the House. I do not think the hon. member, whose knowledge of the rules is unexcelled in this House, ever himself, when in the chair ruled out an amendment of this character.

Mr. BOIVIN: I think I never had occasion to rule out an amendment of this char-

acter. I never remember an amendment of this character being moved.

Mr. MEIGHEN: Oh yes.

Mr. BOIVIN: I do remember a great many amendments that were brought before the House but they had something to do, at least, with the legislation which was placed before the House by the government.

Mr. MEIGHEN: The hon. member will remember in amendments to the Criminal Code proposed by the government, other amendments to the code were introduced which had nothing to do with those amendments and they were considered and decided by the House.

Mr. BOIVIN: Not while I was in the chair.

Mr. GOOD: Speaking to the point of order—

Some hon. MEMBERS: Order.

The CHAIRMAN: I should like to hear the hon. gentleman.

Mr. GOOD: —I took this matter up with parliamentary counsel some time ago, and he told me very definitely that in the case just cited by the hon. member for Shefford (Mr. Boivin), it was in order to introduce such other amendments as have been mentioned.

Mr. CANNON: The point brought out by the hon. member for Shefford is very simple. Is the amendment before the committee an amendment to this bill or is it not? If it is an amendment to the bill, what clause does it amend? It certainly does not propose to amend any clause in the present bill. Therefore, as the hon. gentleman contends, it is bringing into the committee a matter altogether foreign to the bill which we are considering.

Mr. GOOD: Why foreign to the bill?

Mr. CANNON: An amendment has to amend something in the bill.

Mr. GOOD: Does it not deal with the same subject matter?

Mr. CANNON: The amendment brought forward by the hon. member for East Calgary is an amendment to the general act.

Mr. IRVINE: So is the bill.

Mr. CANNON: But the amendment to be within the rules has to be an amendment to one of the clauses of the bill under consideration.

The CHAIRMAN: Regarding the point of order that has been raised, it has been suggested that notice is required. Under rule 112 no notice is required except of important amendments to private bills. The amendment proposed by the hon. member for East Calgary reads:

> That the bill be amended by inserting the following as section 3.

Which has been stricken out. Bourinot at page 523 says:

> A committee of the Whole have now power to make amendments not within the scope and title of the bill. The rule of the English Commons—

Which is mentioned on page 523.

> —provides that any amendment may be made to a clause, provided the same be relevant to the subject matter of the bill, or pursuant to any instructions, and be otherwise in conformity with the rules and orders of the House; but if any amendment be not within the title of the bill, the committee are to amend the title accordingly, and report the same specially to the House.

It seems to me that an amendment to be within the scope and title of the bill requires, as has been suggested by the hon. member for Shefford, to be, in other words, relevant, to deal with the same subject matter in some form. I would question that this amendment would be in order if it was under Bill No. 149, for instance, dealing with the alternative vote; but this dealing generally with voting and election matters and contributions by corporations and companies unincorporated, I feel I must rule more widely than has been suggested by the hon. member for Shefford, and I rule that the amendment is in order.

Mr. WOODSWORTH: In support of the motion of the hon. member for East Calgary, may I point out the difficult situation under which labour at the present time stands? The purpose of the bill is, I understand, to prevent fraudulent practices or those that tend in some way to interfere with the ends for which elections are held. I would urge that contributions by unions do not in any way interfere with the proper carrying out of elections. There is nothing at all fraudulent about them. No undue pressure is exerted in any form whatever. Everything is open and above board. Unions are regularly recognised organizations. Their meetings are openly held. Their decisions are arrived at in the regular business meetings. There is nothing secret about the matter in any way whatsoever. For that reason, I cannot see that any harm is

10 p.m.

going to come from the unions having a right to contribute to election funds. At the present time, if labour men wish to select candidates, they find themselves very greatly handicapped. I quite recognize that there are some who believe representatives ought not to be chosen from distinctive groups. Some believe we ought to maintain the older parties and ought not in any way to encourage vocational groups to select representatives. I do not intend to argue that point to-night. I think anyone, even of those who believe this, will concede that if there are industrial groups more or less distinct from the rest of the community, they have the right, if they so desire, to select their own candidates.

When a few years ago the farmers of the west thought they saw the necessity for having their own representatives, they found themselves under this handicap. They were regularly organized. It was the easiest way for them to subscribe to election funds through their organizations and to select their own representatives, but they found themselves in difficulties because of this section of the act. They were able to overcome those difficulties by becoming incorporated for political purposes. Thus, they are able to carry on and they have a very considerable body of members in this House. Labour people are in a very different position from that. Owing to the development of labour organization, we are divided into many unions. I should say, roughly speaking, there are something like 150 distinct unions in this country. The farmers have practically one organization. Hon. members can understand how difficult it would be to expect 150 distinct organizations each to become incorporated for political purposes. Again, owing to economic situation on this continent, nearly all the unions in Canada are in affiliation with American unions. Canada is industrially a small country as compared with the United States. The major part of the members of those various unions are in the United States and, according to the constitutions of the American unions it is impossible for the unions to organize for political purposes. Our labour unions, dominated very largely by the United States unions, find themselves placed in the position where they can not incorporate for political purposes. Thus, this clause as it now stands, practically precludes labour unions from taking political action. The only possible course for the labour people is to build up a distinct organization with individual memberships right across the country from coast to coast. Some may say that this is all to the good and that in this way we shall discourage labour organizations. May I point out that as soon as there is a strike or any form of industrial action in the country, gentlemen of this class throughout the Dominion express the view that labour ought to attain its ends by constitutional means; and they will even limit those means to parliamentary action. Yet when an effort is made by the labour people themselves to send their own representatives to voice their distinctive views on the floor of parliament almost every obstacle is placed in their way. I would appeal to the generosity, the sense of fair play of hon. members, whether we ought not in all seriousness, having regard to the welfare of the country at large, to permit, nay, to encourage the various industrial groups to send representatives to this House. I would point to the example of the Motherland. For a considerable number of years in Great Britain labour unions have been able to contribute to campaign funds for political purposes, and although there has been some opposition to the practice in the course of years—

Mr. McTAGGART: I rise to a point of order. We have struck out section 3 entirely and we are seeking now to re-cast that section. But in the amendment we do not strike out the provisions of section 10 which relates to the same subject matter. We shall therefore have section 3 dealing with the same subject as section 10. Which one will apply?

The CHAIRMAN: It is in addition to section 10. So far as I can see, the clause is in proper form.

Mr. BROWN: I think the hon. member is mistaken. Section 3 of the bill which we have struck out is intended to amend section 5 of the act.

Mr. WOODSWORTH: When I was interrupted I was pointing out that in Great Britain there had been provision through the years for the labour unions to contribute to campaign funds. There were certain safeguards thrown around it to provide that individual members should not be forced to contribute to funds if they did not wish to do so. But a recent incident which no doubt has come to the notice of many hon. members is worth commenting on. A proposal was

made by a certain gentleman of the Conservative party in Great Britain that labour should be prevented from thus using its funds for political purposes, and I think it is greatly to the honour of the leader of the Conservatives there that he took the stand, in opposition to many members of his own party, that in every way labour ought to be encouraged to send representatives to the House. He refused to endorse this proposal to deprive labour of the right to control its own funds. Surely if in the Old Land, with all its conservative traditions, the leader of the Conservative party insists on making it possible for labour to enjoy this right, we might well hope that in this newer country, where we have rather prided ourselves on possessing a certain degree of democracy, we ought to permit this amendment to go through and make it possible for labour unions to handle their own funds in their own way.

Mr. HUMPHREY: I want to associate myself with the member for East Calgary (Mr. Irvine) in support of the amendment. In my opinion we have had too many restrictions in the past, not only in connection with the Elections Act but in many other directions as well, and for my part I would abolish all such restrictions. However, if that does not meet with the approval of the committee, I think that at all events we should support the amendment which has been submitted. I see no reason why labour organizations should not be permitted to contribute to funds for election purposes. At present they take an active part in elections, at least to a certain extent, but they are debarred by the act from making any direct contributions to campaign funds, although in some way or other these contributions are made. Why therefore should not the act be so worded as to make it perfectly legitimate for these organizations to contribute to political funds? If we removed the present restriction I think it would make for a better class of citizen and would enable men to study with a greater degree of liberty the political questions of the day. Furthermore, having contributed to political funds, the individual would feel bound to assume a certain amount of responsibility and would consequently take a keener interest in political affairs, to the advantage of the country at large. I trust the committee will see the reasonableness of this amendment, which cannot possibly do any harm. I would point out that this particular amendment has been asked for by representatives of practically every labour organization in the country. These various bodies have approached the government from year to year and have consistently pressed for an amendment to the Elections Act to put this proposal into effect. There are of course certain international organizations which are constitutionally prohibited from associating themselves with political institutions, although their constitution does not prevent them from contributing to such funds. It seems to me that this amendment should meet with the approval of the committee.

Mr. STEVENS: I have a good deal of sympathy with the suggestion put forward in the amendment now before the committee, but I do not see why the privilege should be confined to labour unions. There is no reason why any medical association, any law society or any manufacturers' association or chartered accountants' society, or any other such body should be prevented from exercising the same right. Now, all of this indicates that the original section under discussion which it is proposed to amend in this form is in some measure faulty. Let me quote from the original provision, subsection (2) of section 10:

> Every director, shareholder, officer, attorney, or agent of any company or association violating the provisions of this section, or who aids, abets, advises, or takes part in any such violation, and every person who asks or knowingly receives any money or its equivalent in violation of the provisions of this section, is guilty of an indictable offence against this act punishable as in this act provided.

In other words, a man who is a shareholder of a company, who has no knowledge whatever of the activities of the officers of that company, is liable to be indicted for an offence if—

An hon. MEMBER: Knowingly.

Mr. STEVENS: No, it does not say "knowingly" in that regard. Every director, shareholder, officer, attorney, or agent of any company or association violating the provisions of this section is guilty of an indictable offence when the company of which he is a shareholder violates the preceding subsection. He may be living in England. I propose an amendment, and the House will probably accept it. At all events, I submit it to the minister and ask his consideration of it. I move that all the words in section 3 of the bill be struck out and the following substituted therefor:

> Section 10 of the said act is hereby repealed.

The effect of that is apparent to the House. We simply strike this section out of the act. It might be suggested that you will open the door wide, but I think hon. gentlemen know

that where there is design, where there is criminal intent or where there is a determination to contribute funds for political purposes, a way is usually found to do it, and it is far better that it should be done openly, and not in an underhand fashion, than to have it done as it has been done in recent years, in direct contravention of the law and in violation of all sense of decency in many cases. I know of no way in which we can frame that section, as the hon. member for Lisgar (Mr. Brown) said a moment ago, so that it cannot be circumvented, and it is far better to strike out a clause of that kind than to leave it in the act merely to be evaded.

Mr. LAPOINTE: I heard some of my friends on the other side of the House say, "hear, hear". I think that they will make a mistake if they accept the amendment of my hon. friend from Vancouver Centre (Mr. Stevens). There is some reason for a check in regard to contributions for political purposes. If you open the door, I think my friends sitting angularly opposite to me would be the first to suffer. With the door open in this way, it would be very convenient for the big interests, and for people who wanted to influence elections by the free expenditure of money, to do so. There were some reasons for the restrictions which parliament made to the Elections Act in section 10, and I really believe it would be a huge mistake for my hon. friends to accept that amendment.

Sir HENRY DRAYTON: I am very much in favour of the amendment moved by the hon. member for East Calgary, and I am also in favour of the subamendment.

Mr. LAPOINTE: Surely.

Sir HENRY DRAYTON: My hon. friend the Minister of Justice is quite right in saying "surely", because I do not believe in sham, farce and hypocrisy. Is there any hon. member in this House so foolish as to think that contributions are not made to elections funds? Why, of course contributions are made. Is there a single hon. member in this House for example who has not heard the things that were said in regard to what happened in the last election, and who was helped by it and who was hurt by it? Everybody knows it. There is no secret about it. Everybody also knows that this country has yet to find one single prosecution. The law is a dead letter. It is just one of those dead things which bring the law into disrepute. When a government passes a law which it cannot enforce it is to blame, and I frankly admit that I am just as responsible for it as anybody else when we put on the statute book a law we could not enforce. It has not been enforced, and there is no intention of enforcing it to-day. The Minister of Justice, charged as he is with the enforcement of the laws of the country, has not made a move or a gesture in the way of enforcing it. He could not; it was absolutely impossible for him to do it. This is just simply an amendment which is recognizing conditions as they actually are. After all we want people to take an interest in public business. We want them to have an honest interest in public affairs, if we can get them to do it. I am not sure that the old way which was adopted in England many years ago was not the best way, namely where the people themselves in each constituency fixed the salary of their representative and the country at large paid nothing at all.

Mr. FORKE: Oh.

Sir HENRY DRAYTON: The hon. member says "oh", but at least they were in this position then, that there was a live interest taken in each member. He had to look after his business. He had to be on the job. He was not getting his pay cheque that was O.K.'d whether he did his work or not. The people in the constituency were looking after him, and unless he was doing what his constituency wanted and looked after his business properly—well if he was anxious about his money he did not get it. However, that is many years ago. We need not go as far back as that to-day. But are we really honest when we say that we want people to take a proper interest in public affairs? After all is not the most immediate interest in public affairs for people believing in some principle, and believing in some policy, to put their hands in their pockets and put up some money, so as to help to put that policy into effect? That is the whole thing we are considering. It is no good talking about this interest or that interest. I am firmly of the view, Mr. Chairman, that in the best interests of the largest portion of our people, namely our workers, the amendment moved by the hon. member for East Calgary is absolutely right. Why? Because it is the way in which they will take the most immediate interest in public affairs. It is the manner in which they will follow public affairs and the only manner in which they will get to know something about public affairs. The man who puts up his money follows public affairs. I am in favour of the sub-amendment.

Mr. COPP: To a certain extent I am quite in sympathy with what the right hon. leader of the opposition said in regard to the drafting of the original election law. It was altogether too stringent in its terms and absolutely impossible to be carried out according to the letter, I admit. But when it comes to asking to strike out section ten, it does seem to me we are going pretty far towards opening the door to every form of political corruption in the conduct of elections.

Sir HENRY DRAYTON: It has nothing to do with that.

Mr. COPP: It has all to do with it.

Mr. LAPOINTE: Political corporations would control elections.

Sir HENRY DRAYTON: I wonder how much they controlled the last election.

Mr. COPP: I was a member of the House when the act of 1920 was passed, and I remember all phases of this question were thoroughly discussed, and it was thought in the public interest that some restriction should be placed upon the statute books that would as far as possible prevent large contributions by companies or rich men anxious to control elections.

Mr. IRVINE: Does the minister seriously say to us that section ten of the act prohibits any rich man or any company from making contributions?

Mr. COPP: I think the section would have some deterrent effect upon large companies that might desire to contribute to election campaign funds. My hon. friend from West York (Sir Henry Drayton) says that this act is brazenly broken, that men and companies do contribute to campaign funds. That may be so, but because murder or other crimes are committed would be no reason for wiping out our criminal code and giving everyone carte blanche to commit all the crimes in the calendar.

Mr. WOODSWORTH: Will not the minister admit that in the case of murder and other crimes an effort is made to enforce the law?

Mr. COPP: Yes, but if we say to the country at large that no effort will be made by this parliament to have future elections conducted with reasonable honesty, we will be opening the door much wider.

Mr. McTAGGART: Mr. Chairman, in view of the importance of this section, I would ask the minister to allow it to stand for the time being.

[Sir Henry Drayton.]

Mr. STEWART (Leeds): I would call the attention of the Minister of Justice (Mr. Lapointe) and the Secretary of State (Mr. Copp) to the very wide provisions of section ten, and suggest that under it no contribution for a legitimate purpose is permitted even for the purpose of advertising meetings, renting halls or for any other election purpose. The section goes altogether too far. As to opening the door to abuses, I do not suggest anything of the kind, and I submit that its repeal would not have any such effect. I think the Minister of Justice has overlooked entirely section eighty, which contains very detailed and complete provisison covering bribery and corrupt practices. These restrictions will still remain, and properly so. Under that section any person giving money, promising employment, or making any gift for the purpose of influencing votes is guilty of a corrupt practice.

Mr. CALDWELL: That section refers to how the money is spent, not to how it is contributed.

Mr. STEWART (Leeds): What is the harm if it is given and not spent?

Mr. CALDWELL: Does the hon. member contend that money should be used to buy votes?

Mr. STEWART (Leeds): Certainly not. I say section eighty still prevents any such corrupt practices.

Mr. CALDWELL: Does the hon member contend that section ten prevents any individual from contributing to campaign funds?

Mr. STEWART (Leeds): In its wording it certainly does.

Mr. CALDWELL: Only companies or corporations are prohibited under section ten from contributing to campaign funds.

Mr. BEAUBIEN: Mr. Chairman, if this is not a private conversation we should like to hear it.

The CHAIRMAN: Order.

Mr. STEWART (Leeds): I submit that ample protection still remains under the stringent provisions of section eighty.

Mr. CALDWELL: While I have every sympathy with the views expressed by the member for East Calgary (Mr. Irvine), I cannot help feeling that the case is overstated from his point of view. In my opinion section ten does not prevent any individual from contributing to campaign funds for a legitimate purpose. I for one do not wish

to see the door opened. I think the bane of our political life has been big campaign funds, and I was very pleased to see this section inserted in the act of 1920. A similar section, possibly not in such a stringent form and therefore not as effective, was contained in the former Elections Act. As members of this House, I do not think we should countenance the contribution of campaign funds by incorporated companies or associations, or even farmers' associations, because individually people are not prohibited under section ten from contributing, and that is as far as we should go. If anything, we should tighten up the Elections Act in regard to campaign funds and their use. I have always felt very strongly on the subject and I am not inclined to allow the door to be opened.

Mr. BOYS: Mr. Chairman, I have no hesitation in supporting what has been said by the hon. member for Victoria and Carleton (Mr. Caldwell). Under section ten there is not the slightest question that individuals can lawfully contribute towards election expenses; and if any further proof that this is the correct interpretation of the section were required, it would only be necessary to refer to subsection (e) of section seventy-nine of the act, where the candidate's agent has within two months to make a return, and in that return he has to set out the following:

(e) all money, securities and equivalent of money received by or promised to the official agent from the candidate or any other person, for the purpose of expenses incurred or to be incurred on account of or in respect of the conduct or management of the election, naming every person from whom the same may have been received or by whom such promise was made, showing as to each sum whether it was received or merely promised, whether in money or otherwise and whether as contribution, loan, advance, deposit or otherwise.

There can be no doubt whatever that individuals can make these contributions. But I certainly agree with what has been said, that if you do not interfere with the other provisions of the act, particularly section eighty —dealing with bribery, treating, undue influence, personation, and so on—money so received cannot be lawfully used, and you get your protection there. The Minister of Justice may be correct in stating that if you strike out section ten you permit incorporated companies or associations to make contributions, but they must be lawful contributions nevertheless—the only thing it would enable them to do that they cannot do now so long as that section stands. It would have that effect. It goes without saying that it does not interfere with the right of individuals to contribute to campaign funds.

Mr. LAPOINTE: Nobody denies that.

Mr. BOYS: I do not suggest that you do for one moment. Nor would it open the door to bribery or to anything of the kind. It would only allow incorporated companies or corporations to make contributions if they decided it was proper to do so.

Mr. LAPOINTE: No one has denied that individuals have a perfect right to help candidates, but there are conditions that control the way in which they may do so, and, as my hon. friend has stated, there is a section of the act that compels the agent of the candidate to give the names of the persons who have advanced money for legal purposes. Everything is in the open. But section ten is not for that purpose. Section ten is to have a check and a control on big campaign funds contributed by big corporations and wealthy companies for the purpose of influencing elections in Canada. This section has been put in the act for that purpose, and I am afraid that this parliament would do something which it would have cause to regret later if section ten were repealed from the act.

Mr. CALDWELL: I would like to ask a question because I think there has been a misapprehension in some quarters in regard to this act. I know it has been thought that a political party or a candidate could not collect funds with which to carry on an election unless they were incorporated by act of parliament, either provincial or federal. I want to ask this question: Is it not true that after a candidate is nominated and he appoints his official agent, that official agent has authority to collect funds from individuals to carry on that candidate's election if it is done legally? We have the chief electoral officer here to advise us.

Mr. COPP: Certainly. Private individuals can contribute; there is no question about that.

Mr. CALDWELL: And you do not have to be incorporated and get a charter as a political association in order to collect funds.

Mr. COPP: Not from individuals.

Mr. CALDWELL: I know for a fact that in large sections of this country constituencies and candidates have gone to a lot of what I considered needless expense. I consulted a lawyer in whom I had every confidence before I consented to run as a candidate, and he told me we could go ahead under this act without being incorporated. We never

became incorporated as a political association, and do not expect to. I wanted to have it made clear that that is unnecessary, although it has been thought necessary by many, that in order to collect funds you have to become incorporated.

Mr. IRVINE: Did any farmers' union locals contribute to your election expenses during the last campaign?

Mr. CALDWELL: No, they never did, and we do not want them to. Any individual who saw fit to contribute to my election expenses was free to do so, and I want to say right here that my expenses were largely paid by my constituents in both elections. One of the conditions I made when I accepted the nomination in 1919, when this act was not in force, was that every man's name should be taken who gave even ten cents, that a record should be kept of every contribution, a receipt taken for every expenditure made, and that when the election was over the accounts should be audited and published in the local papers, which was done, and I think it was the first time it had been done in Canada, because it was not required to be done under the act at that time. I went further and said that if I found one cent had been spent for anything except the legitimate expenses of my election I would resign my seat, that while I would consider it the highest honour in the gift of the people of any constituency to elect me to parliament I would disdain to sit in a seat that cost a dollar illegitimately spent to put me there. Therefore I am in a pretty strong position to say I do not want the door opened under this act.

Miss MACPHAIL: I am quite sure the farmers' clubs in all parts of Canada, and certainly in my riding, have found this section a very great hardship. It meant we had to incorporate for political purposes. It meant that our clubs as such could not contribute to campaign funds. The money had to be contributed by individuals, and a record was kept of who those individuals were. Many of the clubs had sums of money, not large, it is true, some $150, and others lesser amounts, which they would gladly have contributed to the campaign fund had they legally been able to do so, but they were unable. I feel that we are quibbling over this thing. If all the people of Canada who hated this section were here, I feel sure it would not take long to get rid of it.

I want to say here quite frankly I believe in class organization, and class representation in the houses of parliament. I think there is not any use in trying to stem the current that is carrying us on, and if we can honestly and above board make it as easy as possible for different organized groups to contribute to campaign funds, we are not standing in the way of progress, but rather aiding it, and for that reason I am in hearty support of the subamendment.

Mr. IRVINE: I want to make myself clear to the hon. member for Carleton (Mr. Caldwell). I was not suggesting at all that his election funds were improperly raised. I merely wanted to point out that if he had used his organization to contribute he was in error and was liable to punishment. In the west we used the organizations. Supposing I had to drive over two hundred miles to collect 25 cents from two hundred farmers; why, it would cost me a fortune.

Mr. CALDWELL: My people gladly sent the money in.

Mr. IRVINE: There is no need in building an organization you cannot use. I just wanted to point out to my hon. friend what my idea was in asking the question. I did not want to suggest that his funds were raised improperly at all.

Mr. GOOD: I think the main thing is to secure publicity. I fancy from what the hon. member for South Simcoe (Mr. Boys) has read from the act, that that is fairly well secured under section 79. I do not care whether the Manufacturers' Association or any other organization contributes for campaign purposes so long as we know who it is that is contributing, and what is the amount. While the purpose for which section 10 was placed here is no doubt a good one, I do not think it is effective or of any use, as far as I can see, and I would just as soon run chances on getting rid of it and try it out, so long as we have the publicity.

Mr. LAPOINTE: You would never get the publicity.

Mr. IRVINE: I rise to a point of order. Six hon. gentlemen on the other side have entered the chamber and I do not think they know what the question is.

The CHAIRMAN: They have a right to enter in committee but not when the House is sitting and the question has been put.

Mr. LAPOINTE: Read the rules.

Subamendment (Mr. Stevens) negatived: Yeas, 42; Nays, 53.

Amendment (Mr. Irvine) negatived: Yeas, 44; Nays, 52.

On section 4—Appointment of returning officer.

Mr. DENIS (Joliette): Before proceeding with section 4 I wish to move an amendment as section 3A. This amendment has reference to section 12 of the act, which declares that no team, carriage, cart, vehicle, and so forth, can be hired by a candidate or his agent for the purpose of conveying electors to or from the polls. I was pleased to hear the hon. member for West York (Sir Henry Drayton) declare a few moments ago that in the application of the Elections Act he does not believe in shams. The Secretary of State has said that this law might be too stringent, but I submit to the committee that section 12 as it exists is practically impossible of application. That was the situation when only men were allowed to vote; it will be more difficult of application now that women also have the right to exercise the franchise. I ask hon. members who have had experience in electioneering whether or not outside of their own knowledge—because had they known it they might have been disqualified —it is not the practice for friends to hire cabs, wagons, automobiles, and so on, to carry electors to the polls on election day. It will be said, perhaps, that this provision of the law has been on the statute book for a long time. For the information of those who might find relief in the length of time this provision has been in force, I would like to state that it was enacted in 1874. At that time the English electoral law declared that it was not illegal to convey electors to the poles. Notwithstanding that—for reasons which we have not to account for now—fifty years ago this provision was embodied in the law. What has been the result of this legislation? I respectfully submit that it has not been carried out and cannot be carried out. It has been more difficult to enforce the law during the past four or five years since the right to vote has been granted to women. Does anyone believe that it is possible for women to get to the polls on the sixth of December, as in the last general election, or on the seventeenth of December, in the election of 1917, without having recourse to sleighs, carriages, or automobiles? And will anyone suggest that all these vehicles are provided by friends absolutely without pay? I do not think so. Well, it is good for those men that have been able to secure vehicles in sufficient numbers to take the electors to the polls, but I think—

Mr. CALDWELL: May I interject one statement? I may say that in my election we did not pay one cent to take electors to the polls in any case; it was all done voluntarily.

Mr. DENIS (Joliette): I am quite sure my hon. friend is sincere when he makes that statement, but probably payment was made and he never knew it. That is how it is done.

Mr. CALDWELL: I think I can assure my hon. friend that not a cent was paid to anybody.

Mr. DENIS (Joliette): A person can affirm a positive fact but he cannot affirm a negative fact. My hon. friend does not know whether that is the case or not.

Mr. CALDWELL: As far as I am aware that is the case.

Mr. DENIS (Joliette): If the committee is satisfied to accept the amendment well and good. Otherwise I am not particularly interested. I believe it is practically impossible to convey electors to the polls, especially now since women are voting, without having to hire a vehicle. There is a defect in this section 12 which should be cured at any rate, and that is the last paragraph.

Mr. BOYS: I should like to know at what my hon. friend is suggesting an amendment. There is nothing at all before the Chair as far as I am aware.

Mr. DENIS (Joliette): I am presenting an amendment.

Mr. BOYS: If my hon. friend will tell us what it is we will appreciate his arguments better.

Mr. DENIS (Joliette): The amendment which I propose is as follows:

3a. Section twelve of the said act is amended by striking out the concluding sentence thereof and substituting the following therefor:—

(2) Nothing in this section shall apply

(a) to the bona fide payment by any elector of the usual fare or of a reasonable charge for the conveyance of himself or any member of his family to or from the polling station, or

(b) to the payment by a candidate or his election agent for the hire of vehicles at the usual rates current in the locality or of the usual fares payable for transport in any public conveyance, provided that the total amount expended by or on behalf of such candidate for such purposes does not exceed a sum equal to five cents for each elector whose name appears on the list of voters for the electoral district.

Mr. STEVENS: There is no section 3; section 3 is cut out.

Mr. DENIS (Joliette): Then I move to add it as section 3.

Mr. MANION: Where does my hon. friend come from? The rate he mentions seems very low.

Mr. DENIS (Joliette): I will give an explanation. It will be noticed that in the act as at present drafted a man may pay for his own conveyance to and from the polls, but he cannot pay for the conveyance of his wife and family to and from the polls. This was drafted no doubt before the right to vote was given to women. It is quite legal for a man to pay for himself, but not for his wife and family. Therefore, the first part of my amendment desires to secure that right as to the conveyance of the wife and family. The second part of the amendment provides that a candidate or his agent will be able to pay at the usual rates current in the locality for vehicles to transport electors to the polls. What amount will be allowed? This is where the five cents for each elector comes in. This may rouse the hilarity of members of the committee, but I borrowed it from the English Statutes. If hon. members will read the English Representation of the People's Act, 1918, it will be seen in section 3 or 4, I do not remember which, it is stated that election expenses, outside of other expenses which are declared in the election, shall not be in excess seven pence in the counties and five pence in the boroughs.

Mr. CALDWELL: Were those the total elections expenses of a candidate?

Mr. DENIS (Joliette): No.

Mr. CALDWELL: For transportation?

Mr. DENIS (Joliette): These are travelling expenses. This, of course, does not include the personal expenses of the candidate. the making of the lists and so on. I think this allowance of five cents for each elector is a right way to proceed. For instance, where there are 10,000 electors in a constituency, the candidate will have a right to spend $500 in that way. If there are 20,000 electors in a constituency, we understand clearly that the candidate should have a right to spend more than in a constituency where there are 10,000 electors and he will be permitted to spend $1,000 in that way. Of course, the rates may be lowered or raised. This five cent rate is only tentative. If the committee is of opinion that it should be raised or lowered, it may do so.

Mr. GOULD: The proposition which the hon. member has placed before the committee is a question for Price, Waterhouse and Company, it is so much involved. He might get some three-cent electors to the polls, and he might find the others to be seven-centers. I do not think we require this at all. If people are interested in the election of their candidate and in the public questions of the day, they will go to the polls if facilities are provided by the establishment of polls where they can go. The hon. member mentions the 6th day of December on which the last election was held. That date worked many inconveniences to the people of the prairie provinces. Today I addressed a letter to the Chief Electoral Officer pointing out that in my electoral district there are many people who are obliged to go ten and fourteen miles to the polls. When the election is held in cold weather, such as the 6th day of December means in western Canada, one can readily understand how impossible it is in many cases for women particularly to go those long distances in order to record their votes. The question was not one of hiring rigs to take the people to the polls but rather one of providing polls in which the people could record their votes. If the hon. gentleman would suggest an amendment to the act which would provide more polling facilities for the people, it would be better than asking for a license for the expenditure of money. The people themselves should be interested enough in public questions and in their candidate to go to the polls and record their approval or disapproval of the various candidates, rather than wait at home in the hope that someone will come to take them to the poll and, perhaps, to record their vote in favour of the person with the first rig that comes along to take them to the poll.

Amendment (Mr. Denis, Joliette), negatived.

Mr. NEILL: I have an amendment which, I think, will come in at this point. I move to amend Bill No. 148 by inserting a new section to be known as section 3:

Section 15 is amended by striking out subsection (1) and inserting the following:

"The afternoon of polling day shall be a general public holiday in Canada."

I may explain to hon. members that the afternoon on polling day begins at noon. This is an amendment which, I think, ought to meet with some support from the members from Calgary and Winnipeg, as it has been a constant demand by the Trades and Labour Council of Canada in every occasion of late years when they have met the government. The present section, as every hon. member knows, reads:

Every employer shall, on polling day, allow to every elector in his employ at least two additional hours, other than the noon hour for voting—

And it goes on to say that he shall make no deduction from his pay. There is more than one objection to that. One is where there are comparatively large bodies of men employed, a feeling grows up—perhaps it is founded more on apprehension than on experience—that it is not good form to take those two hours off because, if the boss does not want them to go and they insist, when dull times occur, they will be the first to have their services dispensed with. He will not say to them: I will fire you if you take those two hours off. He will say: We are very busy and I hope no one will take advantage of this time to go and vote. I do not know that this has been abused, but there is that feeling amongst the workers.

Mr. STEWART (Leeds): Does the hon. member not think he is opening the door to just the same difficulty by making a longer time? Is the employer not just as likely to say that the man who takes half a day will be laid off as in regard to the man who is going to take only two hours off?

Mr. NEILL: If the hon. member had allowed me to finish my argument, he would have found that that objection was met. Let me take another instance. There are factories that work upon what might be called "sequence" labour. I do not know the exact term. There may be a shoe factory with a dozen operatives on machines working on one part of the shoes and further on another dozen operatives on machines in connection with another part that require the supplies created or handled by the first section. If two or three of the first crowd take two or three hours off, the remaining machines that are, so to speak, behind them, will be more or less idle, and the whole factory will be more or less shut down. That makes it objectionable from the point of view, of course, of the employer in the factory. Then again the old act required that employers should be put into the position of paying their men to go and vote. There are many men who object to that. They say that they do not want someone else to pay for their time while they go and vote. They are quite willing to stand the loss. I meet here the objection of my hon. friend (Mr. Stewart, Leeds) who said it would be more objectionable. If in accordance with my suggestion, you make the half day a public holiday, then no one will be paid. They will have to take a half day off because it will be a public half holiday, and the men will have enough time to go and vote.

11 p.m.

Mr. POWER: What will the penalty be in case any employer wants his men to work and the men do work and draw pay?

Mr. NEILL: If the laws of Canada enact a public holiday no one is allowed to work.

Mr. POWER: And what is the penalty?

Mr. NEILL: I must refer the hon. gentleman to the Criminal Code or to the act regarding public holidays to find that out. As the law stands to-day, two or three men may simply insist on going and then they are marked men. The public holiday would be general; everyone would be free to go in his own time, not being paid by anyone to do so.

Mr. BOIVIN: Does the hon. member not fear that if he made it a public half-holiday the deputy returning officers and election clerks might quit work at noon?

Mr. NEILL: My hon. friend's question is in line with the argument he advanced a few hours ago when he proposed to closure all amendments to the act. In introducing the amendment I had not in view either the factory worker or the employer but rather the class of people whom I represent, namely, rural workers; and in case the amendment I have suggested is defeated I have another to offer. In sparsely populated sections of the country it is impossible apparently, judging from the experience of the past, for many of the electors to get to the polling stations in two hours time. In the district I represent there are about 125 post offices; and every post office has a nucleus of population around it, or it would not be there. Yet in that district there were only seventy-five or seventy-six polling stations established, and in many cases men and women were compelled to walk or to proceed the best way they could, in row-boats and launches, five, ten and twenty miles. Let me quote a sentence from a letter I have received, which is typical of various others that have reached me:

With the next federal election in view, wouldn't it be possible to have a polling station nearer here? It is sixteen miles from here to where we voted. Last federal election we had sixteen voters here but only one vote was cast as the rest of the voters wouldn't walk the distance.

I would certainly not ask anyone to walk sixteen miles to vote for me and still less for my opponent, and it is cases of that kind which I think we should make some provision for. The polls should be more frequent and where they are not, then at least men and women should be given a chance to get to the polling

station in ample time to vote. No man should be expected to leave his work, with the risk of losing his job, in order to vote. I can sincerely say from my own personal knowledge that there were blocks of from twenty-five to a hundred voters who were obliged to travel ten, fifteen and twenty miles to the polling station in my constituency. A logging camp, for instance, is some ten miles from the polling station and the only means of access is by boat. The men knock off two hours earlier at night to comply with the law and by the time they have had supper they are too late to vote when they get to the station. If the boss is a good natured man he may give them the use of his launch; if not the men cannot get to the poll. I would be willing to have the half-holiday apply only to rural polling divisions if it were felt that such a provision was not needed in the towns.

Mr. DENIS (Joliette): I think that the law as it stands at present is adequate. In the two hours allowed for working people to go and vote there is no reason why everybody should not be able to get to the polling station and vote. I have not the least doubt that in two hours it is possible for any elector to vote, and for that reason I shall support the bill as it stands.

Mr. IRVINE: The hon. member suggests that two hours is ample time in which to vote. I gather from that statement that the hon. gentleman has not been much associated with labour people. Let us see how this two hour period works out. Sometimes working men are an hour's ride away from the polling booth and often the Liberal party machine will so organize things that they have from twenty to thirty voters coming into the poll at the moment the working men arrive. Then there will be officers inside the booth swearing every man that comes up to vote and contriving to lose the Bible, so as to consume time and doing all sorts of things to keep the working men back. I have seen two hundred men standing in line outside the polling booth when the poll closed. These had to return to their homes without voting at all because of this practice, and I have seen Liberals swearing old men of seventy to make sure they were of voting age. That is how the two hours works.

Mr. SHAW: I think there is much in the suggestion of the hon. member (Mr. Neill). I know that in many instances the two hour rule works a real hardship particularly on working men. I have in mind the situation in my own city where men working in offices and shops five miles from Calgary are obliged to take the street car to get in and consequently many of them are deprived of the opportunity of recording their vote. Especially is this the case where men live in places remote from the city. While the law does provide a two hour interim in which working people shall be allowed to vote, that law is honoured more in the breach than in the observance. I know of a very strong and wealthy corporation, known to every member of this House, who give the men an hour to vote in, and if they cannot vote in that time they need not vote at all. We should be particularly careful to see that every man who wants to vote gets the opportunity to do so, and I know of no way by which that can be better ensured than by the method proposed by the hon. member.

Mr. CARMICHAEL: Is it the intention of the mover of the amendment that the half-holiday shall extend to all the schools throughout the country?

Mr. NEILL: No.

Mr. CARMICHAEL: I think it should. In the province from which I come it is the custom during provincial elections to give the half-holiday and it appears to me to be a good custom. The children get it into their minds that there is something of interest going on and even though they may not be able to understand the questions of the day, in a few years they will be grown up, and this tends to bring them up in an atmosphere of interest in the affairs of the country. I support the amendment even though it does not apply to the schools, as I think it should.

Mr. NEILL: I did not intend it to apply to the schools but I am informed that as a public holiday it would.

Mr. BROWN: I am in favour of the amendment for much the same reason as I am opposed to the one introduced by the hon. member for Joliette (Mr. Denis). It throws the responsibility on the electors themselves. I have always taken the position that men who vote ought to do so in their own time as citizens, but at the same time it is desirable that no employer should be allowed to prevent any man from casting his vote. Evidently the two hour provision is inadequate, and for that reason I am strongly in favour of the amendment. It requires the individual to do it in his own time and at his own expense. On the other hand, it prevents an employer putting any obstacle in the way of the employee exercising his franchise.

Mr. HUMPHREY: I desire to say a word in support of the amendment proposed by the hon. member for Comox-Alberni (Mr. Neill) in so far as it affects the districts with which I have come in contact. In some parts of this country we have not proper facilities for transportation. Some parts of the western country are not blessed with good roads. Some parts of that country have no means of transportation except by waterways, or by means of isolated railways. This has created a difficulty in some parts of the Dominion because two hours has not proved sufficient for the voter to go to the polls and vote. In that way a good many have been deprived of the privilege of exercising their franchise, and I feel that by extending the time to half a day they would be able to record their vote, a privilege which they should be entitled to.

Amendment (Mr. Neill) agreed to: Yeas, 54; nays, 32.

Section as amended agreed to.

On section 4—Appointment of returning officers.

Mr. CALDWELL: I would like some explanation as to what the change means. We should not pass these clauses too quickly. I think the section that is proposed to be struck out should be read and also the section taking its place.

The CHAIRMAN: The practice is to read the marginal notes.

Mr. CALDWELL: Will the minister explain the amendment?

Mr. COPP: Sections 22, 23 and 24 are replaced by new sections, making very little change. Section 22 provides that the returning officer shall be appointed by the Governor in Council. This provision is changed and the returning officer is appointed by the Secretary of State. That is the only difference.

Mr. CALDWELL: Then there is another feature, is there not, that the election officer is more or less a permanent official? At the present time he is not appointed until after the election is declared. Under this clause he is more or less a permanent officer.

Mr. COPP: Yes.

Mr. CALDWELL: Would the minister think it advisable to make his term longer?

Mr. COPP: No.

Mr. MANION: What was found wrong with the past system where the returning officer was appointed after the writs were issued? What necessitated the change?

Mr. COPP: The explanation by the Chief Electoral Officer reads as follows:

That in Canada a general election campaign lasts more than four times as long as in Great Britain is in no way due to geographical considerations, and only in part to the fact that in Canada the lists of voters are prepared during the campaign while in Great Britain they are prepared semi-annually whether or not an election is held. It is to the practice followed in the appointment of returning officers that most of the difference is due. In Great Britain the person who is to act as returning officer in each constituency is fixed by statute or custom; this was once generally the case in Canada, but for many years the selection of returning officers has been made only when the election has been decided upon. If the former Canadian and present British practice were reverted to, the length of the compaign in Canada would be reduced by about half, and the administration of elections would at the same time be greatly improved since prospective returning officers would have an opportunity to familiarize themselves with their duties and districts in advance of the pressure of administrative business.

Mr. MANION: This is for the purpose of shortening the time between dissolution and an election. How long will it take after dissolution before the election officer would be appointed?

Mr. COPP: It would take forty-five days.

Mr. MANION: It was previously sixty days.

Mr. COPP: Yes.

Mr. MANION: It is now fifteen days less.

Mr. CALDWELL: I can see some advantages in this provision and some disadvantages. I can see some disadvantages for everybody except the party in power. It will enable the government to bring on an election on shorter notice than could be done at the present time. I think we have all more or less felt that disadvantage at different times in carrying on election campaigns.

Mr. COPP: The time is too long now.

Mr. CALDWELL: The party in power usually has all the advantage anyway. They have all their ammunition ready and the opposition very often have to procure a new candidate, sometimes someone who has never been in politics before. Possibly that is fortunate for him, because he will not have so many sins to answer for. But he has less time to get his organization in shape and run an election.

Mr. COPP: Is forty-five days too short?

Mr. CALDWELL: Yes, from the time the election is declared, because they have to call a convention. It is possible to have an election sprung on the people without notice at all. I do not think any of us will be surprised

if we have an election this fall, and if the parties do not prepare for it they will have themselves to blame.

Mr. LAPOINTE: That has been suggested already.

Mr. CALDWELL: Under this section they will have only forty-five days to hold their convention, select their candidate, form their organizations and so on. It will be some task. In my constituency we had two representatives previous to 1917. They felt it quite a task to run an election in each county. At the present time these two counties form a very large constituency—Victoria and Carleton. I think every constituency in New Brunswick is in pretty much the same position. At one time we had eighteen, to-day we have only eleven ridings. They have grown in area from time to time. I think any man who will undertake to organize a campaign on thirty days' notice will find it very difficult indeed in some of our very large constituencies. For that reason I should like to see some provision made so that the time between dissolution and the date of the poll will not be shortened.

Mr. FORTIER: Do you want a year's notice?

Mr. CALDWELL: No, reasonable notice.

Mr. MEIGHEN: Mr. Chairman, I agree with the member for Victoria and Carleton. This country is just about as different from England as could well be conceived. We have no compact little ridings that can be covered in a very brief time and in which organization can be kept going right along, as is possible over there. At the last general election, in order that no one could complain of surprise, three months' notice was given. Two months is certainly not too much. For ridings especially which are large and where all the various preparations have to be made, of which any opposition knows nothing in advance, two months certainly is not too long a period. There is nothing to complain of here. While I am on my feet, may I point out to the government that they are forgetting their professions once more. I can recall how their sensitive consciences were shocked frightfully when this section in its original form was passed. They described as a gross system of party patronage the fact that the Secretary of State appointed the returning officers, and insisted that it be done by the Civil Service Commission. How is it that they have not the commission mentioned here?

[Mr. Caldwell.]

Mr. COPP: Who insisted upon that?

Mr. MEIGHEN: The Liberal party.

Mr. MACKENZIE KING: Never.

Mr. MEIGHEN: My memory is quite distinct on the point. This House was aflame with indignation on the part of members of the Liberal party that the government would appoint the returning officers, and they demanded that the appointments be made by the Civil Service Commission so there would be no party patronage.

Mr. MACKENZIE KING: Never in the world.

Mr. MEIGHEN: The Prime Minister's memory is short.

Mr. MACKENZIE KING: I say never. My right hon. friend is mistaken.

Mr. MEIGHEN: No, the Prime Minister is mistaken.

Mr. MACKENZIE KING: Does my right hon. friend mean to say that this government demanded that returning officers be appointed by his appointees on the Civil Service Commission when he was in power?

Mr. MEIGHEN: Not this government; but the Liberal party when in opposition.

Mr. MACKENZIE KING: My right hon. friend knows it never did—he ought to at least, if he does not.

Mr. MEIGHEN: The Prime Minister's indignation, I suppose, is easily accounted for.

Mr. MACKENZIE KING: I contradict my right hon. friend flatly, and I ask him to give evidence to prove his assertion.

Mr. MEIGHEN: I remember the indignation of the Liberal party that the government should appoint its own returning officers; scores of members behind the Prime Minister know it too; there is no question of doubt about it. Now, I object to this facility for rushing on a surprise election. I do not say that the holding of an election this fall would be a surprise. I am not going to complain. Let them go to the electorate as soon as they like as far as I am concerned, and as far as the country is concerned too. But in this Dominion where our distances are so great there should be at least sixty days' notice of an election. I do not ask for more, I do not ask for so long notice as we gave in 1921, but I say it is only reasonable that there should be no facility provided whereby an election can be brought on in less than sixty days.

Mr. CALDWELL: What section of the act governs the length of notice that must be given?

Mr. MACKENZIE KING: The chief electoral officer tells us that under the act as it stands it will take three months, and I am led to believe—

Mr. MEIGHEN: Two months.

Mr. MACKENZIE KING: No, three months under the act as it stands.

Mr. MEIGHEN: We got an answer just now that it will be two months under the act as it stands, and forty-five days if this section passes.

Mr. MACKENZIE KING: If this passes.

Mr. MEIGHEN: Two months otherwise. That is what the Secretary of State said just now.

Mr. MACKENZIE KING: I believe I am absolutely correct in saying that my right hon. friend found to his surprise when the general election came on that it would take three months to carry it out. Everybody knows my right hon. friend said there would be a dissolution in August; he told the country there would be an election then. We were kept campaigning through September, October, November and December, and the country was in a state of turmoil, to the disadvantage of the country and most of all to the disadvantage of my right hon. friend. I think he assumed at the time that if he had an opportunity of traversing this country from one end to the other he would win candidates in every seat, but he came back with a following not as large in numbers as the ministers he had when he went to the country. Forty-five days is the shortest time within which a general election can be arranged under this act. It does not say that forty-five days will be the time, it may be two months, it may be longer; but the government does feel it is in the public interest and in the interest of the candidates that the country should be spared these interminable periods of turmoil which work to the disadvantage of business generally and to the advantage of no one in particular.

Mr. MEIGHEN: I do not know what is the matter with the Prime Minister to-night. His mind seems to be in a turmoil. He says I announced a general election in August.

Mr. MACKENZIE KING: You did, you stated there was to be an election that year.

Mr. MEIGHEN: An election in August! Never in the world.

Mr. MACKENZIE KING: My right hon. friend intimated in August that there would be an election that year. The election came on in December, as he well remembers.

Mr. MEIGHEN: What I understood the Prime Minister to say—I suppose I was wrong in this—was that I had announced there would be an election in August.

Mr. MACKENZIE KING: No.

Mr. MEIGHEN: I did not announce in August that there would be an election; it was the first day of September.

Mr. MACKENZIE KING: The last day of August.

Mr. MEIGHEN: No, the first day of September. I would not have bothered correcting so narrow a point as that, but I misunderstood what the Prime Minister meant. But I did not then state when the election would be held, and it was many days before the House was dissolved and an election ordered. I do not remember being informed by anybody that it would take three months, but the time was long for the reason that I was anxious that hon. gentlemen of the Liberal party, who found fault with everything, who were always in a state of indignation no matter what was done, would not have cause to complain that they did not have a chance to persuade the electorate.

Mr. POWER: We have not had cause to complain.

Mr. MEIGHEN: No, I do not doubt it. Certainly there was no advantage to the government in the course it took; but that was the reason. I do remember our being advised from time to time in by-elections—I do not remember in the general election, although perhaps we were—that owing to the new act a longer time was needed than before. But the reason the period was chosen was just because there would be plenty of time for the campaign. Now I am willing to accept the definite word of the minister. If the minister will give his word that this is necessary in order that there may be no more than two months, then I am prepared to accept it so far as I am concerned. The minister stated that with the act as it is an election could be held in two months—sixty days—but that with the act as amended it could be held in forty-five days. I think forty-five is too short; I think sixty is long enough. The Prime Minister stated also that we came back

with less members than we had ministers. Well, I will not take time to reply to that.

Mr. MACKENZIE KING: That is what I said. If my hon. friend will count the members behind him who were returned by majority votes he will find that they are fewer in number than his ministers when he appealed to the country.

Mr. MEIGHEN: What about the Prime Minister's own following?

Mr. MACKENZIE KING: They speak for themselves.

Mr. KELLNER: Mr. Chairman, if this little conflict is over I should like to make a few remarks about the forty-five day period. In the constituency of East Edmonton which I have the honour to represent in this House, leaving the city of Edmonton and going north to the extreme point of the constituency, would take twenty-two days to make the return trip; I might not have that schedule down exactly right, but it is approximately correct. Then going out to the eastern border of the constituency would probably take about six days more, so that it would take about twenty-eight days to make the round trip to the extreme ends of the constituency without any allowance for stop-offs whatever. Anyone who conceives of a constituency of that kind will readily realize that forty-five days is not sufficient. There are other constituencies that are about as bad. I think West Edmonton is probably in about the same position. I imagine we probably could function on a sixty-day limit, but I do not think we possibly can on forty-five days.

Mr. STEWART (Leeds): I think the general understanding of the committee was that the last election covered a period of ninety days because it was really necessary to take that time, and under the amendment at least sixty days would be required to hold an election. Forty-five days comes rather as a surprise to me being a member of that committee. I think forty-five days is too short if you have to hold say thirty meetings. I think it ought to be at least sixty days.

Mr. McBRIDE: I rather think it is an advantage to some people that there should be a short term, for I know districts in my constituency that I had not the opportunity of visiting at all, but to which my opponent got, and that is where I got most of the votes.

Mr. COPP: Under the present act I am informed that sixty days is the shortest possible time after the appointment of the returning officers. The intent of this act is to have the returning officers appointed in advance. That gives the chief electoral officer an opportunity of forwarding them their instructions, and it gives the officers an opportunity of studying them and making themselves familiar with the act. It is a complicated act, and the returning officers who are appointed are not all lawyers; they are not able to grasp every section of the act as readily as some would do. It is felt that it will be in the interests of the better conduct of the whole election, to have the returning officers appointed in advance and given an opportunity to study their instructions. It may be possible if the returning officers were appointed in advance, to hold the election in forty-five days, but the returning officers have to be appointed, of course, and no doubt it would take longer than forty-five days from the announcement of the election to polling day.

Mr. MEIGHEN: Why so?

Mr. COPP: It might not, but in all probability it would. So far as my experience goes, forty-five days is a very long time. I would much prefer a campaign of thirty days. It was felt, however, that by appointing the returning officers in advance they would be able to perform their work in a better manner, and that is the whole idea of appointing them in advance. If it should shorten up the campaign a few days, I do not think that will do anybody any harm, and it may do some a great deal of good.

Mr. WARNER: I represent a constituency that is practically 115 miles one way, and 130 miles the other. We have to take in such a big stretch of country in order to get population enough to have a representative. I think forty-five days would be a little too short. I think most members would feel satisfied with sixty days. I do not know that I need to do much electioneering; I got along very well the last time I ran. But I do think forty-five days is too short a time to go over a large constituency where a candidate has anything like a hard fight on.

Mr. KENNEDY (Edmonton): Looking at most of the constituencies in the older settled parts, it is not surprising to hear members say that a month is long enough, but in my constituency we require two months. I represent a constituency that is somewhere about 300 by 400 miles.

Mr. MACDONALD (Pictou): How is it affected by redistribution?

Mr. KENNEDY (Edmonton): There is just a little part taken out of the south east

corner. It is practically not affected at all, because in order to get to the various parts you have to go through that thickly settled area. The population is scattered over a territory that is about 200 miles in each direction. I was wondering—I may be out of order—if it would be possible to arrange in the Peace river and Athabasca constituencies for three weeks between nomination and polling day.

Mr. LAPOINTE: Two weeks is what they have now.

Mr. KENNEDY (Edmonton): We had two weeks at the last election and we found it impossible to get the votes to Fort Vermilion from Edmonton. There were a number of polls where they did not get the ballot boxes at all. That was the complaint made to me.

Mr. LAPOINTE: Will my hon. friend tell me how it was done? A few years ago, when his constituency was still larger, the interval between nomination and polling day was only eight days.

Mr. KENNEDY (Edmonton): It was not done. I do not know of an election there where there was not some complaint about polls having been left without ballot boxes. If the candidate has a majority of one or two thousand, a few polls left out does not make much difference so far as the election goes, but in a close election, it may mean that you have to go over the whole thing again. Some of the people at Fort Vermilion felt that they had been left out on purpose. The ballot boxes had to come from Edmonton to Peace river, 300 miles by rail, and then 300 miles overland. That is the reason they did not get the ballot boxes at the last election, and I think that situation ought to be corrected.

Mr. STEWART (Argenteuil): At that very same poll, Fort Vermilion, in the provincial election the interval before polling day was only twenty-three days, and only seven days between nomination and polling day.

Mr. KENNEDY (Edmonton): The last Dominion election was held in December, and about that time the rivers are pretty difficult to travel on. It might be done in a week, but it is risky. I do not think it is fair to the people, and it certainly is not fair to any candidate who is running a campaign in a constituency of that kind, because it puts him in a position where he might have to go over the whole thing again, and it is bad enough to have to do it once.

Mr. MANION: I find myself in agreement with the remarks of the last speaker for the reason that in very large constituencies it is often very difficult within a short time to have the proper regulations carried out. I well remember in my own constituency when it was larger than it is now they used very often to have to postpone the election until after the regular elections had been held. It was a delayed election, and certainly it was not a fair method of carrying on an election contest. At the present time that is not the case. But in the last election, as mentioned by the hon. gentleman, because of the shortness of the time between nomination day and election day there was great danger of the election being postponed. However, to get back to the question it would appear to me that sixty days in a country with such large areas as we have here and a small population, would be short enough because of the immense size of some of the constituencies. After all, an election is supposed to be held for the purpose of fairly testing the view of the people of the country as to which party should be in power, and as to which policy should be followed. It is true that in the past all parties have taken advantage of the fact that they were in power, and have used the advantage of surprise, or whatever advantage of that nature is given to the government, but at the same time I think that sixty days is quite short enough for an election to be held in this country. In fact, after a good deal of thought, I have come to the conclusion, that it would probably be wise to follow the same system that is in vogue in some other countries and have a fixed day for the election, say every four years. In that way we should know exactly when the election would take place. I really believe that any proposition that would shorten the election period below sixty days would not be advantageous to the country at large.

Mr. LAPOINTE: In the first place I think this change should be considered on its merits without having regard to the shortening of the election period. I think everyone will agree that it is better to get officers who are appointed in advance, who will have time to familiarize themselves with the election law and with the instructions which are sent them by the Chief Electoral Officer and who have agreed to act as returning officers. I understand that the main trouble encountered by the Chief Electoral Officer, is that some of the men who are recommended to him as returning officers refuse to accept the ap-

pointment, and he has to communicate with those who made the recommendation to have other men suggested and he finds it difficult to get people to replace the first nominee. I know a case in the district of Quebec that happened at the last election where a gentleman had been recommended by a candidate of the party in power who took some time to act in any way and finally refused to act. A second gentleman was recommended and communicated with and he also refused to act. The consequence was that the Deputy Chief Electoral Officer had to go himself into the constituency, find a man there, and appoint him. Otherwise the election would not have been held on the same day. I understand that the delay during the last general election was largely due—entirely due I thought—to the fact that for weeks returning officers could not be found and appointed for every constituency in Canada and the writs could not be issued. My right hon. friend shakes his head, but my intimation comes from those who were making the appointments at the time. It took weeks before all the constituencies had a returning officer appointed, and the writs could not be issued until this was done. Does any gentleman in this House say that is a good system?

Mr. MEIGHEN: If, as the Secretary of State has said to-night, it can be done in sixty days, where is the harm, where is the danger?

Mr. LAPOINTE: It might be done in sixty days if the Chief Electoral Officer finds no difficulty in the appointment of returning officers in every constituency, but if he meets with difficulties it will take more than sixty days.

Mr. MANION: What would prevent the Chief Electoral Officer, without this provision at all, being in communication with men whom he might appoint as deputy returning officers?

Mr. LAPOINTE: He does not appoint them; the Governor General in Council appoints them. Now, Mr. Chairman, the fact that an election can be held, everything being satisfactory for that purpose, within forty-five days, does not mean necessarily that forty-five days will be the period of delay in each election. There is nothing to prevent the writs from being issued and a longer delay given.

Mr. MEIGHEN: Will the government undertake that sixty days will be given?

Mr. LAPOINTE: Why should the government undertake that?

[Mr. Lapointe.]

Mr. MEIGHEN: Then we will know what to do a good deal easier.

Mr. LAPOINTE: I cannot understand my right hon. friend when he says that forty-five days is too short a time. I have been fighting elections as a candidate since 1904, and I was fighting for others before that. That is quite a length of time, and I think any candidate who cannot fight his battles in forty-five days is not qualified to be a candidate. Then there is the expense of the election to be considered. I think that forty-five days in which to bear the expense of an election is enough for some of us at any rate. I cannot understand why there should be any objection to a delay of forty-five days, or why there should be any demand that it should be longer. There is no provincial election that I remember in which the delay has not been shorter than that.

Mr. CALDWELL: May I interject that I represent a riding that has five members in the provincial legislature. It is quite a different matter for five members to cover the constituency than it is for me alone.

Mr. CANNON: How long does it take to hold the general elections in Great Britain?

Mr. LAPOINTE: About two weeks now on the average.

Mr. GARLAND (Bow River): That is no comparison at all.

Mr. LAPOINTE: Public opinion in this country is quite awake now, and people are reading the newspapers. Some hon. gentlemen argue as if nobody in their constituency knew anything about public affairs, and that they have to meet every man in the riding; otherwise the campaign is not conducted properly. I do not think that the period can be shorter than forty-five days, but, as I say that does not necessarily mean that the period will not be longer than forty-five days. It is certainly best to have men who are appointed permanently, and who have had the advantage of studying and considering the law and the duties they will have to perform when the election comes.

Mr. CALDWELL: I will concede what the Minister of Justice has said about the advantages of having these men appointed. I do not think anybody in this House would object to having these men appointed as indicated. If the government will give us an assurance that they will not bring an election on under sixty days we will all be well satisfied to pass this section. But I for one think

it comes with very poor grace from a member representing a city constituency to say that a man who cannot carry on his campaign in forty-five days is not qualified to run as a candidate at an election.

Mr. LAPOINTE: I have represented a rural constituency for fifteen years and I have always conducted my election in forty-five days.

Mr. CALDWELL: Possibly it could be done if a great many of us had the ability to campaign that the Minister of Justice has. But even the rural constituencies in Quebec are more thickly settled usually than any other parts of Canada.

Mr. CASGRAIN: No, they are not, they are very sparsely populated.

Mr. CALDWELL: An hon. member with a constituency eight hundred miles long needs more than forty-five days. I recognize at once the advantage of having these officials appointed in the manner indicated, and I should like to see it done. I should like some assurance that the government would not, because of this, bring an election on with forty-five days notice.

Mr. MACDONALD (Pictou): The only point at issue is whether or not is it desirable to have permanent returning officers in this country. That is the only question affected by this clause. The Chief Electoral Officer informs me that the last election was delayed for quite a long period by reason of a number of returning officers who had been appointed in the first instance, resigning and refusing to carry on. As a consequence, the issue of the writs had to be delayed. As the appointing power of the returning officers is vested in the Governor General in Council, what possible objection can there be to having a permanent list of returning officers so that, in the case of a vacancy occurring either by death or otherwise in that list, it may be filled up? Then if a by-election comes on, the machinery is there ready to proceed. That is all the proposition that is involved in this clause. There may be in the country constituencies where it is difficult in fifty days to get over all the territory included. I think everybody in the committee will agree that at the last election those three months were the longest three months that one ever took part in an election campaign.

Mr. CALDWELL: We had a jolly time.

Mr. MACDONALD (Pictou): I know I became very tired before the election was over, and although I was successful I wished the election had taken a much shorter time. As I have often taken part in elections, I might be pardoned for being tired after having gone through such a long period of campaigning. As the Minister of Justice (Mr. Lapointe) has pointed out, the country is pretty well informed on issues of that kind. There is no desire on the part of the government to shorten up matters at all or to prevent members or candidates from getting to their constituents. But this is in order to avoid the unnecessarily long period that was occupied in having the last election by providing that we shall have returning officers with whom the Chief Electoral Officer can communicate at all times, whom he can inform in regard to his duties, to whom he can give the material to keep it at hand, so that the returning officer can send it out immediately on receipt of a telegram, instead of the Chief Electoral Officer having to transmit all that to a person whom he does not know, whom he never heard of and who probably was never thought of in regard to carrying on the work of a returning officer. That is all that is involved in this proposition. I am quite sure this proposal is not made with the idea of depriving any hon. member of his right or opportunity of visiting his constituency It will facilitate the carrying on of an election. Everything will go along in a much smoother and more businesslike fashion, and you will have returning officers who will know what they have to do and will be prepared to do it when the time comes.

Mr. BOYS: The Minister of National Defence says that the only thing involved in this clause is the appointment of returning officers in accordance with it. Does it not shorten the period from sixty days to forty-five days? Unless that point is taken care of in some way, his statement is not accurate.

Mr. ARCHAMBAULT: How is that?

Mr. BOYS: We have been told by the Secretary of State that the shortest time heretofore is sixty days, and that if this amendment goes through, it will be forty-five.

Mr. MACDONALD (Pictou): That means that an election might be held in less time than sixty days. It may not be forty-five days because difficulties may arise.

Mr. BOYS: I think my hon. friend is mistaken. I do not think he was in when the statement was made. If I am wrong I can be corrected at once. I say that the Secretary of State told us—and I have no reason to doubt his statement—that the shortest time at present is sixty days and that if this amendment is passed, the shortest time will be forty-five days.

Mr. MACDONALD (Pictou): The shortest time may be forty-five days. That does not necessarily mean that it is going to be a forty-five day election, because any government, having dissolution and fixing the date of an election, would necessarily have regard to the conditions of the time in order that every part of the country should get proper notice and be prepared. My hon. friend would not want to have it in the statute that there should be sixty days between the issue of the writs and the date of the election.

Mr. BOYS: What I rose for was to point out that the passage of this clause involves more than the clause itself provides for. I quite agree that the clause deals only with returning officers; but the Secretary of State says that it involves a change from sixty days to forty-five days.

Mr. MACDONALD (Pictou): Does the hon. member agree with the idea that there should be permanent returning officers?

Mr. BOYS: Yes. But I suggest with that that some clause should be inserted in the act ensuring a lapse of sixty days instead of forty-five days which will be the result under this clause.

Mr. SUTHERLAND: One feature has been overlooked in this matter. It is quite evident that some old, experienced campaigners would prefer a shorter campaign, but what about the new nominee who has had no
12 m. election experience and who has to acquire it during the campaign? I think, in that case, sixty days will be quite short enough. There will be and always are a number of inexperienced campaigners taking part, very often up against old, experienced campaigners. In that case it is a very great handicap for the inexperienced candidate.

Mr. MEIGHEN: On what date were the writs issued in 1921?

Mr. COPP: The 7th or 8th of October.

[Mr. E. M. Macdonald]

Mr. MEIGHEN: So in 1921 only sixty days were given. We have heard a great deal about this three months' campaign. I know the government was reconstituted after the anouncement in London on the 1st September, and the writs were issued about the 7th October. The election was the 6th December.

Mr. KELLNER: I have no objection to the permanent officials, but I have an objection to anything less than sixty days. Would the Minister of Justice tell us how those recommendations for the appointment of returning officers are handed to the Chief Electoral Officer?

Mr. LAPOINTE: There are appointed by the Governor General in Council.

Mr. WARNER: I am afraid some people do not understand conditions in carrying on an election in a new country. In my constituency I have places that a man cannot reach with a car at all. In ordinary constituencies that can be done, but in my consituency there are many places where, if I wish to hold a meeting, I have to go twenty, twenty-five or thirty miles with a team on not very good roads.

Mr. MACDONALD (Pictou) So have I.

Mr. LAPOINTE: Will my hon. friend tell me what Mr. McIntyre who represented Strathcona during my time and Mr. Douglas did when they had to fight their elections and there were only eight days between nomination and polling day? What has changed in my hon. friend's riding?

Mr. WARNER: In some constituencies candidates can go in cars now where they have thickly settled districts. In those days nobody went in cars and conditions are absolutely different. The man who has to run an election with a team in a good part of his constituency is certainly not on an even footing with a man who can run an election with a car.

Mr. KENNEDY (Edmonton): I want to plead again for the sixty-day period. The Minister of Justice wants to know what has changed. As regards the part of the west that I have lived in for some years, there is a good deal more interest taken in political affairs than was the case ten years ago. It may be growing or it may be getting less, but I think there is a great deal more than there was ten years ago. An hon. member brought up the question of the desirability of giving the people an opportunity to see any new candidate who comes out, and I know that

in my constituency, or in the Peace river district where I have lived, there is no car or vehicle that can take a candidate over the riding in less than two months or even in that time.

An hon. MEMBER: What kind of roads have you?

Mr. KENNEDY (Edmonton): The kind you would expect in a constituency about half the size of Alberta and with a population of only forty or fifty thousand.

Mr. CANNON: The same as my own constituency.

Mr. KENNEDY (Edmonton): It is purely a selfish attitude on the part of hon. members who are living in old constituencies which have been settled two or three hundred years, with roads and railways in every direction, to suggest that the newly settled districts can be covered in the same time.

Mr. CANNON: The hon. member is under a wrong impression. My county is not an old district, it is new; there is a whole lot of settlers in that constituency who are only newly established.

Mr. KENNEDY (Edmonton): But the size of that constituency does not compare with the size of some of the western constituencies. Anyone who has been in public life for any length of time necessarily has an advantage over a new candidate coming forward and in the interests of the people, who want to hear and see the newcomer, it is only fair that reasonable opportunity should be given them to come in contact with a new candidate who stands for election.

Mr. MACDONALD (Pictou): Notwithstanding what has been said by my genial friend opposite (Mr. Boys), I submit that the proposition before the House is only the question as to whether permanent returning officers should be appointed. Further on in the bill there are clauses that deal with the question of the time between the date of nomination and polling day, and any matter relative thereto could then be discussed. I suggest that the committee allow this section to pass with reference to the appointment of permanent returning officers, the advisability of which we all recognize, and take up the other question later on.

Mr. MEIGHEN: We are really on the subject now, because the only object in amending this section is to enable the election to be brought on suddenly. At the last election we had sixty days and there was no difficulty in appointing the returning officer; and we can do that again. If the committee is of opinion that sixty days is necessary, now is the time to decide that question. If we leave the law as it is, sixty days must be given, or nearly sixty days at any rate. and I should think there would be no difficulty in that case in having the returning officers appointed.

Mr. POWER: It is a fact that at the last election we had sixty days; but is it not a fact also that it took about fifteen days to get all the returning officers in place?

Mr. LAPOINTE: More than that.

Mr. MEIGHEN: That does not matter, because in that sixty days we had time enough to cover the fifteen to which my hon. friend refers and to do all the rest of the work besides.

Mr. POWER: But now we are to eliminate that.

Mr. MEIGHEN: Yes, and that will enable the contest to be brought on within forty-five days. That is what we do not want. We discussed for a considerable time the question of having to give three months, and that proved to be fudge. All we had to give before was sixty days.

Mr. LAPOINTE: It has not proved to be fudge in practice.

Mr. MEIGHEN: The writs were issued on October 7.

Mr. LAPOINTE: Absolutely; and they could not be issued earlier because the chief returning officer could not find assistants sooner in each constituency.

Mr. MEIGHEN: The writs were issued after the government was re-constituted.

Mr. LAPOINTE: The government did not need re-constituting. But I am pointing out that the returning officers were not all there.

Mr. MEIGHEN: The returning officers could not be appointed until the writs were issued.

Mr. LAPOINTE: They were issued when the chief returning officer was sure of being able to secure a returning officer in each constituency.

Mr. MEIGHEN: Not at all; he could not act until the writs were issued.

Mr. MACDONALD (Pictou): I am sure we are all anxious to make progress on this bill and I would suggest—

Sir HENRY DRAYTON: Well, give us one story and stick to it.

Mr. MACDONALD (Pictou): I think the judgment of the committee is that it is desirable that there should be permanent returning officers. As to the time that should elapse between the issuance of the writs and election day, I would point out that section 21 of the bill will afford hon. members an opportunity to discuss any matters relating to that question. In the meantime, I would suggest that the committee accept this section with the proposal to have permanent returning officers appointed, so that we might have men who would know their duties. Why not accept that proposal now and take up later on, as I have suggested, the question as to the time between the issuance of the writs and polling?

Mr. CALDWELL: I would propose, in keeping with the suggestion made by the Minister of National Defence (Mr. Macdonald, Pictou), that we allow sections 22, 23 and 24 to stand until we have disposed of section 21. If we can get section 21 so framed as to give sixty days between the issuing of the writs and the holding of the election, then we shall be able to deal with section 22 without difficulty. We are all agreed, I think, that it is advisable to have permanent returning officers appointed so that not only might we have men who at all times would be perfectly familiar with their duties but that we might also provide for any extra subdivisions of polling districts.

Mr. MACDONALD (Pictou): No matter what conclusion is arrived at on the question as to the time between the writs and the election, I think that the committee is agreed that it is desirable to have these officers appointed anyway.

Mr. CALDWELL: Yes, if it does not involve us in other difficulties. I propose that we allow sections 22, 23 and 24 to stand until we have dealt with section 21 which relates to the length of time that must elapse between nomination and polling.

Mr. ARCHAMBAULT: I do not see how section 22 can affect the question as to the time between the issuance of the writs and the date of the election. There is only one question involved in section 22, and that is the appointment of permanent returning officers.

Mr. BOYS: The Minister of National Defence refers me to section 21 and suggests that when we reach that section we can deal with the question we are now discussing. I do not see how he can make that out. All that section does is to shorten the time from fourteen to seven days between nomination and polling in certain ridings.

Mr. MACDONALD (Pictou): I think the committee might take up under that section the question now being discussed.

Mr. BOYS: If we attempted to do that we should very properly be told that such a discussion had nothing to do with the subject matter of that section.

Mr. MACDONALD (Pictou): It seems to me that the present discussion would be apropos of that section.

Mr. COOTE: Would the government undertake when we reach section 21 to move an amendment to provide sixty clear days?

Mr. LAPOINTE: We will consider it.

Mr. COOTE: Why not decide it now? I want to speak on behalf of those men who represent large constituencies. I am sure that a lot of members representing the smaller ridings do not realize the difficulties that have to be faced by men in the large constituencies, where forty-five days would not be adequate. I think it is unfair. Some of the constituencies out west are of considerable size; it has been suggested that some are half as large in area as England. My own constituency embraces 10,000 square miles and it is one of the small ones in Alberta. I am not speaking in my own behalf but in the interests of members representing large constituencies, and more particularly on behalf of the people themselves, who take a real interest in the elections. These people have a perfect right to see the candidate whom they are asked to vote for, and I do not think this would be possible in the space of forty-five days. The government are anxious to make progress, and why should they not agree to amend the section so as to have sixty clear days. Then we could proceed.

Mr. ARCHAMBAULT: Where does it state in this bill that the delay would be forty-five days?

Mr. COOTE: I think it has been stated by the minister.

Mr. ARCHAMBAULT: Even if this section were dropped, what would prevent them making the delay forty-five days if they wished?

Mr. MANION: Because their Chief Electoral Officer informed the Secretary of State that the shortest time in which they could hold an election was sixty days; but if the permanent returning officers are appointed as this section provides, it would be possible to hold an election in forty-five days. The Secretary of State has made that statement and does not deny it. I asked the Chief Electoral Officer before this bill came up how long it took to hold an election at the present time and he said sixty days; so that at the present time it will take sixty days. Under the proposed amendment to the Elections Act it would take forty-five days. The passing of this section means that the time is cut down to forty-five days.

Mr. CANNON: I am surprised that hon. gentlemen sitting opposite seem to be very keen to have an election; but they are not satisfied because the election is not delayed long enough. They are insisting on sixty days. If this government is so bad as they say, why not make the time fifteen days?

Mr. MANION: It would take that long to tell the faults of the government.

Mr. CANNON: Then you must have a very bad case to explain. In Canada our elections take too long a time. It is bad for business and there is no reason why an election in Canada should last for sixty days.

Mr. KENNEDY (Edmonton): What is the size of my hon. friend's constituency?

Mr. CANNON: I have twenty-eight parishes, one of the largest constituencies in the province of Quebec.

An hon. MEMBER: And one of the best.

Mr. CANNON: Yes, and it has a fitting representative; but if it were possible to shorten elections in Canada so as to prevent business being upset, as it was during the last election, when the present right hon. leader of the opposition was Prime Minister, I think it would be better. My hon. friend announced the election in September, and from September until the very end of December we were electioneering. Why should we in Canada take all this time when an election is carried on in Great Britain within fifteen days?

Mr. MANION: One-thirtieth of the size of Canada.

Mr. CANNON: But they have 38 million people. I think every member of this House should try and have as short an election as possible. Sixty days is too long, and forty-five days is too long. We either have a good programme or a bad one. If it is a good one it does not take long to explain, and if it is a bad one you would not win, even if the election lasted ten years.

Mr. FORKE: The situation seems rather strange to me, that all the members on the one side of the House want forty-five days and all those on the other side want sixty.

Mr. STEWART (Argenteuil): My hon. friend is not quite correct in that. Quite a number have not said a word yet.

Mr. FORKE: Personally I should like forty-five days, should I be honoured with a nomination in Brandon again. It is a compact constituency, easily got over, and they are very sensible people up there. Therefore I do not think it will be hard to convince them the right way. But in deference to those who have larger sections and want more time, I think I would allow sixty days.

Mr. MACDONALD (Pictou): It is as fair for one as the other.

Mr. FORKE: Then why should opinion be so divided in the chamber?

Mr. McBRIDE: I must agree that sixty days is about short enough. Some hon. member is talking about representing 10,000 square miles. I have the honour to represent 167,000 square miles. I have never been able to get over all that constituency yet, although I have tried to do so, when I am not down here listening to "hot air."

Mr. LAPIERRE: I wish to say on behalf of the business men of Canada that forty-five days is sufficiently long for any election campaign. Any of our members who are in business are quite aware that during a campaign business is unsettled, and it is a well known fact amongst business men that an election year is a year of depression in business.

Mr. CANNON: Especially for the candidate.

Mr. LAPIERRE: It is well known that the business element of Canada is opposed to long election campaigns. Forty-five days is long enough for anyone to hold a campaign.

Mr. MEIGHEN: In event of the motion to delete this clause being defeated I desire to move an amendment. I do not want to delete the whole of section 4, but I do not want it to carry in its present form.

The CHAIRMAN: Does the hon. member wish to strike out the subsection?

Mr. MEIGHEN: No, I wish to strike out part of it, not all. I desire to move that that part of section 4 commencing with the word "immediately" and ending with the word "Gazette" be deleted. If the House is against me on that point, I wish to move another amendment.

Mr. LAPOINTE: I call the attention of the committee to the fact that if the motion of my right hon. friend is accepted we are deleting what everybody has conceded to be an improvement. If my hon. friend is afraid of sixty days, do it in some other way, and suggest a delay shorter than sixty days. In accepting that amendment we are deleting what everybody is satisfied is an improvement. Some hon. gentlemen have claimed that sixty days is necessary. The government will take cognizance of conditions as they exist. I call attention of members of the committee to the fact that this provision will apply to by-elections as well as general elections. Why should you force the government to provide for a delay of sixty days in the case of a by-election in the city of Montreal or the city of Quebec?

Mr. MEIGHEN: There never has been.

Mr. LAPOINTE: It is absurd.

Mr. MEIGHEN: No.

Mr. LAPOINTE: My right hon. friend says no. He always says no if we assert anything. It certainly applies to by-elections.

Mr. MEIGHEN: Did you have sixty days in Yale or Hastings?

Mr. LAPOINTE: I do not know.

Mr. MEIGHEN: I know you did not.

Mr. LAPOINTE: If we have the clause reading that sixty days are necessary, it will apply to by-elections.

Mr. CALDWELL: Would it not be possible to make the clause apply only to general elections?

Mr. LAPOINTE: What you are doing just now is to prevent the appointment of permanent returning officers, which has been admitted by everybody to be an improvement.

Mr. MEIGHEN: The solicitude for permanent returning officers is merely the solicitude for forty-five days. If my motion carries, sixty days will be necessary for a general election and approximately forty-five days for a by-election. Sixty days has been shown by experience to be all that is necessary for a general election, forty-five for a by-election. Now, we have got along since confederation that way, we got along in the last election that way. There is no object to be served in the appointment of permanent returning officers except the quick election.

Mr. ARCHAMBAULT: Efficiency.

Mr. MEIGHEN: I do not know why they will be any more efficient.

Mr. ARCHAMBAULT: If the returning officer is named two or three months before the election, he will be in a very much better position to study the act and discharge his duties more efficiently.

Mr. MEIGHEN: He might be in a better position to do a lot of electioneering in his post as returning officer. I do not like any feature of it. I certainly think we are just voting now as to whether we want a brief forty-five day election or a sixty-day one, and no other issue at all.

Mr. MACDONALD (Pictou): The leader of the opposition has not put the question fairly. The issue before the committee at this moment is whether we are to have permanent returning officers who will know their duties and perform them efficiently. If my right hon. friend wants to test the opinion of the committee on the question of time, as I have already pointed out to him, section twenty-one will enable him to do so by moving an amendment on which the issue can be clearly faced.

Sir HENRY DRAYTON: One great difficulty in voting on the question is that no two members of the government seem to have the same idea about the bill.

Some hon. MEMBERS: Order.

Sir HENRY DRAYTON: They seem to have no idea as to the time or anything else.

Some hon. MEMBERS: We know all right.

Sir HENRY DRAYTON: Well, if their ideas are the same they do not express them in similar terms. The last effort comes from the hon. Minister of National Defence. I would ask him to look at what his cabinet says here—I suppose this precious production is by the cabinet—then he will see that on the page opposite page three the explanation deals entirely with the section having regard to the question of time.

Mr. MACDONALD (Pictou): That is right.

Sir HENRY DRAYTON: Then the written information given to the House is entirely different from what my hon. friend says. Time here is the whole thing.

Mr. MACDONALD (Pictou): My hon. friend is not so obtuse that he does not know what I am saying. When we come to the section dealing with time, if he wants to test the sense of the committee that the period be sixty days between the issue of the writ and the election he can move an amendment to that effect.

Mr. MEIGHEN: If he reads the explanation the government gives he will see that this is the section dealing with time.

Mr. McTAGGART: How is this sixty day proviso arrived at at the present time, is it a statutory provision?

Mr. MACDONALD (Pictou): No.

Mr. CANNON: Mr. Chairman, my vote is going to be decided in a very simple way. I remember that the right hon. leader of the opposition is the father of the War Time Elections Act. Whatever he proposes concerning elections I am against.

Sir HENRY DRAYTON: That is the only argument in favour of this bill.

Mr. CRERAR: I have a good deal of sympathy with the point urged by the Minister of Justice as a reason why section twenty-two should carry. I think it is desirable that opportunity should be given to secure proper men as returning officers in all constituencies, which very often cannot be done on the spur of the moment. But I am also entirely in favour of the suggestion that sixty days is not too long a time having regard to many of our constituencies. It is desirable that candidates have an opportunity to present to their electors the various issues of the election I happen to represent a fairly large constituency, and it means that if it is to be covered about a hundred meetings have to be held. I quite understand that in the older settled provinces of Quebec and Ontario where the constituencies are compact forty-five, or even thirty days, would be quite sufficient to place the issues before the electors, but there are many parts of the Dominion where the geographical considerations make it a difficult task. My hon. friend from Cariboo (Mr. McBride) referred to his constituency a moment ago, and to his having to travel on three different lines of railway separated by hundreds of miles in order to effectively cover his riding. Therefore while I support section twenty-two as it stands, when we come later to the section that deals with time, I shall support a clause to fix it at sixty days.

Mr. STEWART (Leeds): In order to make it clear, I would suggest that the committee consider now an amendment to section twenty-one so as to dispose of the whole matter.

The CHAIRMAN: The question is on the amendment.

Amendment (Mr. Meighen) negatived: Yeas, 22; Nays, 78.

Mr. MEIGHEN: I beg to move that in the sixth line the words "for one year" shall be deleted, and in their place shall be substituted the following, "until his successor is appointed." The way it is now there would have to be a review of all the returning officers once a year, and in case of an election where the government was defeated, the returning officers appointed by them would be in charge of all by-elections for another year.

Mr. FORKE: I think that is right.

Mr. MEIGHEN: All right; we will let the hon. member support it. There is no reason in the world why if he is appointed for a year he should not be appointed for ten years. I do not know anything we have suffered under the practice up to to-day which would justify us in experimenting with this.

Mr. STEWART (Leeds): Is there not this very serious objection to the clause as it stands, that you might have an incompetent returning officer holding office for one year?

Mr. LAPOINTE: There is a section which gives the Electoral Officer the right to dismiss a returning officer who is incompetent.

Mr. STEWART (Leeds): That only makes the confusion worse. You have the appointment made by the Secretary of State, and then the Electoral Officer interferes and changes the appointment. After the election starts, the Electoral Officer has jurisdiction and only while the election is in progress.

Mr. LAPOINTE: May I call attention to the fact that my right hon. friend, who speaks so strongly against the plague of patronage, is afraid to be compelled to keep a returning officer in office a few months after he might come back to power?

Mr. CRERAR: How would his successor be appointed?

Mr. MEIGHEN: The same way this man is appointed. We do not believe in having a government powerless to move a perfectly incompetent returning officer. We do not believe in having a government appoint returning officers who shall be returning officers under succeeding administrations.

Mr. CRERAR: That is where I differ somewhat with my hon. friend. The effect of the amendment is that the returning officer would act for the election and no longer?

Mr. MEIGHEN: That is the way it has always been.

Mr. CRERAR: That is not what we want.

Mr. STEWART (Leeds): I would like to hear some argument why the period is limited to one year. Why put any limit on when you are speaking of these appointments as permanent returning officers? It is not the appointment of permanent returning officers; it is the opposite.

Amendment (Mr. Meighen) negatived, on division.

Section agreed to.

Mr. NEILL: I have an amendment which would come in there, and be known as section 4A, I presume. It is to amend section 30 of the main act, subsection (g), by striking out all the words after the word "Act" in the fifth line. This is only a small amendment, and of importance only to British Columbia. I have here a number of amendments I intended to move. There are nine of them, but I am willing to be a good sport and tear them all up if the House will listen favourably to me on this one small amendment. It is a matter in connection with orientals, but I do not intend to take more than ten minutes in dealing with the subject.

It really strikes me as the base of the autonomous rights of British Columbia, or indeed of any other province. I am not going to take any narrow view. I am not going to introduce into the debate any reasons why we in British Columbia do not want the orientals to vote. That is not pertinent to the argument. What I submit is this: British Columbia in virtue of powers conferred on her under the British North America Act has legally prohibited orientals from voting in the province. We have a perfect right to do that, just as we have a right to say if we choose that people with red hair shall not vote. That is the privilege of any province, within the province, under the British North America Act. It has the right to regulate its own franchise. In case there should be any doubt as to the legality of our action in this regard, this act, which was passed twenty-five or thirty years ago, was tested in every court of Canada and finally taken to the Privy Council, the highest court in the empire, and it was there decided we had such a right. So we may start on that premise, that British Columbia has the right to exclude orientals from voting within the province. At the last election it was found that the late government, possibly by inadvertence, in amending the Dominion Elections Act allowed a certain number of orientals to vote under the provisions of this subsection (g). I will just read what I propose to strike out. Subsection (g) provides:

> Persons who, by the laws of any province in Canada, are disqualified from voting for a member of the legislative assembly of such province in respect of race, shall not be qualified to vote in such province under the provisions of this act.

Then comes in this proviso which I propose to strike out:

> Provided however that the provisions of this paragraph shall not disqualify or render incompetent to vote any person who has served in the naval, military or air forces of Canada in the late war and who produces a discharge.

He does not need to have been overseas as long as he has a discharge, nor to have been in a theatre of war, although I admit that a number of them went overseas, and a number of them lost their lives.

I want to tell how we dealt with this in British Columbia. We dealt with it thoroughly and efficiently in 1919. Immediately after the close of the war, there was a Provincial Elections Act going through the local legislature, and a deputation of Japanese returned men came to parliament, practically, asking that they be allowed to vote. They met a committee composed partly of members of the government and partly of members of the House for that purpose, nearly all of whom were returned men themselves, and they went thoroughly into the question. The matter was brought up on the floor of the House, and it was decided unanimously not to grant them the vote. The attitude the returned men took was this: We admit all we owe to them but it is not in the interest of the two races that this door shall be opened to them. We are determined to exclude them; we can see nothing but trouble and friction arise by giving way on this point. They said "we owe these men gratitude, we owe them some return, but we will show it in some other way." I may say that as far as the mem-

bers from British Columbia are concerned we have since shown it to them in a very practical spirit indeed. For years past there has been an agitation to restrict the number of Japanese having a license to fish in British Columbia. I fear that we are represented as being prejudiced in that regard, but what did we do. We provided that in the case of these Japanese returned men any restriction would not apply to them. The consequence is that as time goes on the Japanese will be entirely eliminated from the fishing industry of British Columbia except these returned men. These returned men will for all time as long as they live—and I am rather afraid, after they die, because their discharges will be passed on to others—will for all time be allowed the privilege of having a fishing license. The privilege at that time would be worth perhaps $1,000 to-day it is worth several hundred dollars. We have allowed that privilege to them but we have not given it to the white returned men. So we say that British Columbia is not so unmindful of the debt she owes to these men and has provided if not a sufficient recompense, at least a very definite recognition of what they have done. It was desirable to compensate them in some way for what they have done, but it would have been a very bad policy for the future of the province to have given them the vote at that time. I again repeat it was unanimously agreed to by the legislature of British Columbia.

Now, I come to the main point of my argument. I have shown that we have, after careful consideration, taken the stand in British Columbia that I have indicated. Now here is the point I want to get at: Having done so I claim that it is automatically the right of the province of British Columbia to have those same inhibitions transferred into the Dominion franchise when it has been recognized from the time of Confederation down that the provincial franchise is the basis of the franchise in the Dominion. I could go back ten, fifteen, twenty years, and quote the views of the big men of the various parties, but I will not take up the time of the House in doing so. Blake is on record also Sir Wilfrid Laurier, Sir Robert Borden, the right hon. leader of the present opposition, and last but not least, the present Minister of Justice. They have all gone on record emphatically and in no doubtful language have told us that the provincial franchise is, and must be the only basis and must be carried into the Dominion statutes. Now it is a very bitter question in British Columbia, and a very heavy handicap to any party whose members are in any way connected with the continuing of this position if it is continued. Now I want to address myself not only to the members from the prairies—because their interests are in some sort allied to ours in British Columbia; they are beginning to feel the pinch in some degree as we are—but I want to address myself particularly to the representatives from the province of Quebec for this reason: While their interests are not identical in this regard with ours they are parallel. We live at the opposite ends of this great continent. There is no opportunity for local friction as sometimes arises between Quebec and Ontario. We have many residents in British Columbia that have come from the province of Quebec. We welcome them as good citizens and good friends. We would be very sorry indeed both for their sakes and our own—I admit we are selfish in that particular—to see any action taken here which would form a precedent for the elimination—by means of attack on provincial autonomy—of any of the rights of British Columbia or Quebec. I ask the representatives from Quebec to remember this: If we in British Columbia are to suffer by virtue of being made subject to a majority, that to-morrow will perhaps be the fate of the province of Quebec. If it is right to take from us our inalienable rights to decide what our franchise is, to-morrow there will possibly be an attempt made to interfere with some of the long standing rights of the province of Quebec. For instance I may say we have a very good educational system in British Columbia but will never seek, I hope, to impose that system in place of the method which prevails in the province of Quebec.

Mr. WOODSWORTH: What about taking from members of any one race their innate rights as human beings to direct their own affairs.

Mr. NEILL: I will deal with that in a minute. At present I want to conclude my argument in regard to the province of Quebec. Quebec has certain rights peculiar to the province, for instance her land system. We have in British Columbia what we consider is the best land tenure system in the world for simplicity and cheapness. But we know there is a different system in Quebec, and do not seek to impose our system on that province. Quebec, in the matter of dower rights, has also certain distinctive laws of her own. I would ask them to consider that if they do not want these rights interfered with that they themselves should see that our rights in British Columbia are not interfered with either.

Now let me deal with the question asked by my hon. friend (Mr. Woodsworth). He asked: What about the inalienable rights of a citizen to vote. It has been held by the very highest courts in the British Empire—and that at least is good enought for me—that the right to vote is not inherent in being a man or even in being a British subject. We do impose conditions even on a white born British subject. We say this man shall not vote until he becomes of a certain age and so on. In England the age for women is thirty. Until quite recently in England there was a property qualification. When I was a young man of twenty-two I was not able to vote in my own country because I did not have some property qualification; I did not rent a house and so on, so it has been held by every court in every part of the British Empire that it is not an inherent right of a British subject to have the right to vote. And we in British Columbia have exercised our right to say who shall and who shall not vote. That right has been accorded to us and affirmed by the Privy Council. I am quite content to rest my argument on that and not to take refuge behind any pretext. The point is simply this: British Columbia under the rights conceded to her by Confederation—or at least inferentially given at Confederation—because they said that the provincial franchise should govern in the first instance; and certainly it is confirmed by all precedent that has been followed in the last fifty years—has always had the right to decide our own franchise, and that franchise with all its disabilities or inhibitions we ask, should be carried into the Dominion law. That is all we ask in this amendment. It has the unanimous support of every member of every political stripe in British Columbia, and I do hope it will appeal to the House.

Mr. CALDWELL: If this clause is eliminated will it affect anybody but orientals?

Mr. NEILL: Absolutely no.

Mr. CALDWELL: I should like to get the opinion of the Minister of Justice on this question.

The CHAIRMAN: The hon. member for East Calgary (Mr. Irvine) has the floor.

Mr. IRVINE: I have very few words to offer on this amendment. It cannot be doubted that the people of British Columbia have to meet the brunt which the orientals may create. I also appreciate somewhat the underlying bitterness of feeling which sometimes bubbles up from hon. members in that province, but I do not think that spirit should be injected into the elections of the Dominion. If we wish to prohibit the orientals from coming to this country, the proper way to do it is certainly not to do it through the Elections Act. We cannot hope to solve the oriental problem by imposing restrictions and seeking to oppress these people. If I mistake not the only reason that has ever been given for the Boer war was just that very question—that the Boers while admitting the British born to their country sought to deprive them of some of the rights of citizenship among which was the right to vote. I would certainly be sorry to see any such practice followed in Canada. I hope the amendment of the hon. member for Comox-Alberni (Mr. Neill) will receive the quietus which it merits.

Mr. CALDWELL: Does it affect anybody but the orientals?

Mr. LAPOINTE: The law as it stands states that in a province where race is an impediment against voting, a man of such a race cannot vote. If he is disqualified under a provincial law, he is disqualified under the Dominion act also, with the exception that this would not apply to any man who had served during the war in the military, naval or air forces.

Mr. CALDWELL: If this clause is cut out, will it affect anybody but the orientals?

Mr. LAPOINTE: No. No orientals vote now except returned soldiers, and with the amendment even the returned soldiers will be prevented from voting.

Amendment (Mr. Neill) negatived on division.

Section agreed to.

On section 5—Use of provincial voters' list.

Mr. CALDWELL: I would ask the government if they mean to give us an intermission between this and the morning sitting.

Mr. COOTE: I move that the committee rise, report progress and ask leave to sit again.

Motion negatived; Yeas, 34; Nays, 45.

Sir HENRY DRAYTON: In connection with clause 5, which is the use of the provincial voters' list, would the minister say exactly what is meant?

Mr. COPP: It is hard to tell what is meant, but—

Sir HENRY DRAYTON: Yes, and that is why I am asking the minister, but perhaps he will be able to tell us this time. What

provincial election is referred to as the election which is to govern the use of the list?

Mr. COPP: The statement made by the Chief Electoral Officer with regard to this matter is that this clause directs the use for Dominion elections, of such provincial voters' lists as would be used for a provincial election if it was held at the same time. Under the present law a dead provincial list may have to be used.

Sir HENRY DRAYTON: The only trouble about that is that I do not think we can ever have a Dominion and a provincial election commenced at the same time.

Mr. COPP: It would be one that would be used if there were a list.

Sir HENRY DRAYTON: I think this is meant to be a possible election.

Mr. COPP: Yes.

Sir HENRY DRAYTON: Then why not say "if commenced". Why not get it so that one can tell exactly what is meant?

Mr. COPP: The whole bill is drawn by the Chief Electoral Officer who has had the experience in the late election in dealing with the whole matter. He was before the committee on Privileges and Elections to consider this whole question. He gave his explanation and it was very satisfactory to the committee. I cannot explain the different subclauses referring particularly to the province of Ontario.

Sir HENRY DRAYTON: I would point out that the Chief Electoral Officer could have made it a great deal clearer.

Mr. IRVINE: I move that the Chairman do now leave the chair.

The CHAIRMAN: I am sorry there has not been any further proceeding. We are on the same clause as we were when substantially the same motion was moved. There has to be some proceeding before a motion is made which is the same as the one moved before.

Mr. SHAW: I rise to a point of order. The motion is entirely in order in accordance with Beauchesne's Rules, page 46, section 190.

The CHAIRMAN: I will quote what Beauchesne says.

Two motions "that the Chairman do leave the chair" cannot immediately follow each other; but if one is negatived a member may move: "that the Chairman report progress," and if this is negatived, another member may move" that the Chairman do leave the chair." Some intermediate proceeding must be had before any of these two motions be made a second time.

I think the ruling is right. There must be some intermediate proceeding.

Mr. SHAW: The rule is that:

Two motions "that the Chairman do now leave the chair" cannot immediately follow each other, but if one is negatived, a member may move "that the Chairman report progress".

In this case the first motion was "that the Chairman report progress". The second was "that the Chairman do leave the chair", and I suggest that it is entirely in order under this rule which gives the illustration that in the session of 1877, during the discussion of the estimates in committee of Supply, Parnell, with his little band, by alternate motions of this character—

The CHAIRMAN: The first motion was to report progress. That was negatived. The next one was that I do now leave the chair with the object that the bill be immediately killed, and that under no circumstances the committee be asked to sit again. Is that the pleasure of the hon. gentleman?

Mr. IRVINE: Whatever the implications are.

Mr. COPP: We had hoped to get through with the bill to-night. The committee might allow section 5 to pass, and after that we could report progress.

Mr. MEIGHEN: The ruling of the Chairman would prevent the minister from quitting.

Mr. CALDWELL: This is a very complicated section and I really think that there ought to be some explanation of it.

Mr. LAPOINTE: I would point out to the hon. gentleman that it has been suggested and even drafted by the Chief Electoral Officer who is most qualified to advise on these matters. The bill has also been carefully considered by a committee of this House, and the recommendations of the chief electoral officer, having been accepted, there should be no great difficulty in adopting the measure. I had expected that the bill would go through the House in shorter time.

Mr. CALDWELL: Surely the minister is not suggesting that we should merely turn the crank and grind this thing out.

Mr. LAPOINTE: I do not say that.

Mr. CALDWELL: We have been here all day and I think it would be in the interests of the minister himself if he would explain the section more fully.

Mr. COOTE: I would suggest that we allow the section to stand until later in the day. It is altogether too contentious to be disposed of at this hour of the morning.

Mr. COPP: I move that section 5 stand and that we take up some other section.

Motion agreed to.

Section 5 stands.

On section 6—Power to decide status and population.

Mr. CALDWELL: Is there not an anomaly here? In section 1 we are increasing the urban population from 2,500 to 5,000. This increases the population from 1,000 to 5,000.

Section agreed to.

Progress reported.

BUSINESS OF THE HOUSE

SUSPENSION OF RULE 103 REGARDING PRIVATE BILLS

Mr. G. N. GORDON (West Peterborough) moved:

That rule 103, so far as it relates to private bills from the Senate, be suspended for the remainder of the session.

Mr. COOTE: May we have some explanation of this?

Mr. SPEAKER: The motion seeks to suspend rule 103 which reads:

(1) No committee on any private bill originating in this House of which notice is required to be given, is to consider the same until after one week's notice of the sitting of such committee has been first affixed in the lobby; nor, in the case of any such bill originating in the Senate, until after twenty-four hours' like notice.

(2) On the day of the posting of any bill under this rule, the Clerk of the House shall cause a notice of such posting to be appended to the printed Votes and Proceedings of the day.

The object of the motion is merely to facilitate the passage of bills that come late in the session. The various stages of bills will not be avoided; there will be three readings in both Houses. It is customary for such a motion to be made at the end of every prolonged session, and while I assure the House that I would not for a moment sanction any departure from the rules, I may observe that the motion is merely in keeping with well-established usage.

Mr. SHAW: May I ask that the matter stand until to-morrow? Some of us have not heard the implication of the rule which has been quoted.

Mr. SPEAKER: If the motion is deferred now it will mean a delay of twenty-four hours. Of course I am in the hands of the House.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 1 a.m. (Saturday).

[Mr. Coote.]

Saturday, June 20, 1925

The House met at eleven o'clock.

REPORTS OF COMMITTEES

Mr. THOMAS VIEN (Lotbiniere) presented the sixth report of the select standing committee on Banking and Commerce.

Mr. W. G. RAYMOND (Brantford) presented the tenth report of the select standing committee on Miscellaneous Private Bills.

PRIVATE BILLS

FIRST AND SECOND READINGS

Bill No. 228, from the Senate, for the relief of Lucy Eileen Johnston.—Mr. Church.

Bill No. 229, from the Senate, for the relief of Susan Ellen Tauton Love.—Mr. Jacobs.

Bill No. 230, from the Senate, for the relief of Caroline Watters.—Mr. Maclean (York).

Bill No. 231, from the Senate, for the relief of Grace Wilhelmina Harrison.—Mr. Church.

Bill No. 232, from the Senate, for the relief of Ethel Foster.—Mr. Sheard.

PULPWOOD CONCESSIONS IN NORTHERN MANITOBA

On the Orders of the Day.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I wish to call the attention of the government, and the Minister of the Interior in particular, to a telegram—indeed more than one telegram—which I have received from Winnipeg protesting against certain concessions, or rather the promise of a concession, said to have been made in respect of certain pulpwood areas in northern Manitoba, especially to those features providing only for pulpwood manufacture on a small scale rather than paper manufacture—to both the smallness of the scale and the fact that only partial manufacture is to be made of the raw material—as inadequate compensation for the very large concessions given. I would ask the Minister if he would make any statement that he can on the subject, and also if he would lay on the table of the House the agreements or order in council, or both, whichever may exist.

Hon. CHARLES STEWART (Minister of the Interior): I notice by press despatches that there has been considerable agitation about a concession granted to the Manitoba Pulp and Paper Company in Winnipeg, due largely, I think, to the fact that there is not a definite provision for the location of the mill in the city of Winnipeg. However, in reply to the question of my right hon. friend I would say

that there is definite provision in the contract for the manufacture of both pulp and paper.

Mr. MEIGHEN: How much?

Mr. STEWART (Argenteuil) Fifty per cent of the product of the mill is to be manufactured into paper, and none of the pulp can be exported from Canada without the consent of the minister, so that there is definite provision for the manufacture of paper and the construction of a paper plant in connection with the pulp plant.

Mr. MEIGHEN: What is the extent of the plant?

Mr. STEWART (Argenteuil): At present one hundred tons per day, but it can be extended to a two hundred ton plant which I am given to understand is the economic unit. That is the definite provision. My information is that the city of Winnipeg are very anxious to secure this plant. But the difficulty in Winnipeg is the water supply. They require a very large supply of pure water which would have to be filtered, if taken from the river proper, or obtained from the greater Winnipeg water supply, whereas if the company located on lake Winnipeg or on the English river they would have these advantages besides being somewhat closer to their source of power. The project is to be undertaken with power developed by the Manitoba Power Company at its inception, and from a development of power later on. I submitted the agreement and order in council on the matter to the provincial government. The mayor and council—I would not say the council but the mayor at all events—of the city of Winnipeg consulted with the members representing the district, and the features of the contract, I think, protect every one thoroughly. We have a deposit of $250,000 as a guarantee that the mill will be started, but no cutting will be permitted until $1,000,000 has been expended upon the mill itself. In addition, there is a perpetual bond of $175,000 for the faithful performance of the contract. The citizens of Winnipeg, and of Manitoba generally, have been extremely anxious for a long time to have this industry established, and it is in compliance with that request that the agreement was entered into with the Manitoba Pulp and Paper Company for the carrying out of the project. The territory available in Manitoba will warrant the construction of two mills, so far as we know at the present time, of two hundred ton capacity each. That is according to the information that we have from our Forestry department. The whole agreement and contract have been fully scrutinized and will be found, I think, eminently satisfactory. I shall be very glad to lay the order in council and the contract upon the table of the House on Monday.

Mr. MEIGHEN: That is, the orders-in-council—there will be more than one, I anticipate—reciting the area of the concessions in respect of which the contract was made?

Mr. STEWART (Argenteuil): I would be very glad to lay the information on the table.

Mr. MEIGHEN: On Monday?

Mr. STEWART (Argenteuil): Yes.

GERMAN SECURITY PACT

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I should like also to refer to a question asked some two days ago, or three, relating to the reported or pending agreement as to defence as between France, Germany and Great Britain, and to ask the government if they would lay on the Table this session—on Monday if possible—the correspondence relating thereto. I hope that a too jealous care will not be taken to extend the confidentiality of the correspondence in order to prevent its being laid on the table because if so we shall know practically nothing about it for many months to come.

Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I do not know if there is any correspondence, although there may be. There is no objection to laying it on the table if it be not considered confidential. From what my right hon. friend says he knows what that means.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Will the government give us information as to the situation in Cape Breton? I trust that parliament will not be asked to prorogue without this matter being settled, as there are now large bodies of troops in that part of Canada.

Mr. GRAHAM: That question had better be asked again when the Prime Minister is in his seat.

SOLDIER SETTLEMENT—RURAL CREDITS

Mr. G. G. COOTE (Macleod): May I ask the Acting Minister of Finance if he will be good enough to inform the House whether he intends to carry out the legislation which is

now proposed in regard to the soldier settlement revaluation? Also the resolution which he has on the order paper regarding rural credits?

Hon. J. A. ROBB: (Acting Minister of Finance): I brought to the attention of the House some days ago the bill in regard to soldier settlement revaluation. For one reason or another it was delayed a whole evening; we sat considering that measure until after midnight. My hon. friend will recall that it was then moved that the committee rise. But I am not discouraged; I propose to bring that measure forward as it is now on the order paper. There is also a measure on the order paper relating to agricultural credits which I propose to present to the House.

DOMINION ELECTIONS ACT AMENDMENT

The House resumed from July 19 consideration in committee of Bill No. 148, to amend the Dominion Elections Act (as amended).—Hon. Mr. Copp.—Mr. Gordon in the Chair.

Sections 7, 8 and 9 agreed to.

On section 10—Delivery to candidates.

Mr. COOTE: I think there is some change in this section, and I would like an explanation of it. The committee is passing sections so fast that it is difficult to understand what is done.

Mr. COPP: This section provides for the delivery of the list of voters to candidates who have been nominated earlier than nomination day, if the lists are ready.

Mr. KENNEDY (Glengarry): There is no provision that the lists must be ready a certain number of days before nomination?

Mr. COPP: No change in regard to that.

Mr. BEAUBIEN: The returning officer must have the lists in the hands of candidates nomination day.

Mr. COPP: That is the law at present. Certified lists must be ready, but under the present section the candidates cannot obtain them till nomination day. This provides that if a candidate is nominated earlier he can get the lists earlier.

Mr. BEAUBIEN: Is that intended to make provision for ridings where nomination takes place two weeks before the election?

Mr. COPP: If my hon. friend will refer to the explanatory note on the opposite page he will find the following:

> Rule (6) of Schedule A to section 32 requires urban registrars to deliver or send copies of the preliminary lists prepared by them "to each of the candidates upon nomination day".

That is the present act. The explanation continues:

> Such preliminary lists are generally ready for delivery some ten or twelve days earlier, but the rule was no doubt drafted in its present form on the assumption that before nomination day there was no definite information as to what candidates would be in the field. Provision, is, however made for early nomination and there is no reason why candidates actually nominated should not immediately receive their preliminary copies of the list.

The provision referred to is made under section 40 of the present act.

Mr. CALDWELL: While I approve of sending lists to candidates as early as possible, I am afraid the minister or the Chief Electoral Officer will run up against difficulty if the section is adopted. It says:

> Deliver or send by registered mail to each of the candidates upon nomination day one other certified copy of every such list.

The candidate might be nominated two months before the election, and the lists are not prepared at that time.

Mr. LAPOINTE: No.

Mr. CALDWELL: Yes, there are candidates nominated to-day for the next general election.

Mr. LAPOINTE: Not by law.

Mr. CALDWELL: Does that mean they shall not have the lists until after official nomination day? I understand the minister to say, "as soon as they were put in the field". If the section means that the lists shall not be sent to the candidate until after official nomination day, I cannot see any force in the provision.

Mr. LAPOINTE: Suppose, instead of waiting for nomination day, a candidate files his papers and makes his deposit, what is the harm in having the officer send him a list immediately instead of waiting?

Mr. CALDWELL: I am not objecting to the provision, but I am pointing out that it might get the electoral officer into difficulty. If it means after the candidate has deposited his nomination papers and so on, I have no objection; in fact I think it is a good thing.

Mr. COOTE: It is almost impossible to hear what is being said. How is the returning officer to find out when a candidate is nominated? Will the list be sent to anybody who states to the returning officer that he is a candidate?

Mr. COPP: Not until he files his nomination paper regularly signed by a sufficient number of people and deposits those papers

with the returning officer together with his deposit, as a candidate. Then when the lists are ready he is entitled to get them in advance of nomination day.

Mr. McTAGGART: Does this provision apply to all constituencies, rural and urban?

Mr. COPP: Yes.

Section agreed to.

On section 11—Papers to be sent by registrar to revising officer.

Mr. COOTE: I think the minister should make some explanation of the clauses as we go along, and we might get through a little faster.

Mr. COPP: The explanation of the chief electoral officer is on the opposite page.

Mr. COOTE: If we attempt to read small print opposite a section, before we get through the chairman will have declared the section carried.

Mr. COPP: The explanation reads:

The proposed rule adopts two amendments suggested by the Chief Electoral Officer who, in his 1922 report, says as follows in explanation of one of them:—

"The index books prepared by urban registrars and transmitted by them under this Rule to the revising officer for revision are necessary in order to ensure against the omission of names from the final list of voters by reason of the possible loss or destruction of individual loose sheets, if the list was prepared on separate sheets. The index book, is, however, an exceedingly unsatisfactory form in which to have copy go to the printer, and it is suggested that urban registrars should be required to prepare and transmit to the revising officer with the index book an extra copy for use by the printer, the index book being always retained by the revising officer and used for the correction of the proof."

That is just simply to provide an extra copy to go to the printer.

Section agreed to.

Sections 12 and 13 agreed to.

On section 14—Disposition of certain appeals to revising officer.

Mr. COPP: This is to carry out a suggestion quoted in the note to section 9 of the bill. Hon. gentlemen will find the explanation opposite section 9, as follows:

This is an amendment suggested by the Chief Electoral Officer with a view of overcoming one of the difficulties referred to in the quotation from his 1922 report in the note to section 5 of the bill. In that report he says with regard to this amendment:—

"The only way in which it appears possible consistently with the proper protection of the voter to render easier the removal of the names of dead and disqualified voters from the preliminary lists for urban polling divisions is to create a new class of applications to the revising officer in which the onus of establishing qualification is placed upon the voter concerned instead of upon the applicant. When the onus rests upon the applicant it is exceedingly difficult to discharge, and experience indicates that, except when, as has happened, the machinery is used with the apparently deliberate purpose of blocking the revision, it is almost never resorted to. At the same time, it is impossible to allow the onus to be generally placed upon the voter without any responsibility upon the applicant, since the inevitable effect of so doing would be to put into the power of unscrupulous partisans not only to make the revision of the lists in the time available an impossibility, but to impose upon all their political opponents and unjustifiable burden. Since, however, it is principally names upon the provincial lists that are in question, it seems possible to permit the registrar, on affidavit made during his sittings by a qualified voter in his registration district, to give to the voter objected to a notice requiring him to attend or be represented before the revising officer in order to support his right to vote. An amendment along these lines would involve the insertion in Schedule A to section 32 of a new rule as Rule (5a); the addition of appropriate words at the end of Rule (8); the insertion of a new clause in Rule (14) as clause (bb), and a slight change in clause (c) of that rule."

Mr. STEWART (Leeds): The word "shall" in clause 14 of the bill, the third line from the last, is the only word that might be open to objection. The clause reads:

His name shall be struck therefrom, whether or not the voter by whom the objection was made has appeared before the revising officer.

It makes it imperative upon the revising officer to remove the name. I would suggest that the word "may" might well be substituted.

Mr. COPP: The only evidence before the registrar is an affidavit that the man is disqualified or dead. I do not think it makes very much difference whether we have it "shall' or "may." If the man is dead, "shall" is the proper word, and if he is disqualified, "shall" is the proper word.

Mr. STEWART (Leeds): Does it apply only to dead or absentees?

Mr. COPP: Or disqualified.

Mr. STEWART (Leeds): The difficulty is that these people may not appear. They are always reluctant to go up and appear, and the fact that they do not appear seems to entail the consequence of having their names struck from the lists.

Mr. COPP: I do not think the change in the word would make any difference, but I have no objection if anybody thinks that is a better word.

Mr. BOYS: Prior to what time have these appeals to be taken? To ascertain that, you have to go back to a clause that has been passed, but I think the matter is quite proper to be considered under clause 14. Under clause 9, rule (5a) is added to section 32, and it provides for an appeal. In my hurry, I

cannot find anything which shows prior to what time that appeal may be taken.

Mr. COPP: That appeal is made to the urban registrar before the completion of his list, whatever time that may be.

Mr. BOYS: Where do we find that in the bill?

Mr. COPP: These appeals are limited to applications made by affidavit before the urban registrar and they must be done before he completes his list.

Mr. BOYS: This is a new provision entirely for having names removed at the instance of anyone who appears upon the list. What I cannot find is anything that states prior to what time a voter on the list has a right to make that appeal for the removal of somebody else's name.

Mr. COPP: The Chief Electoral Officer fixes the time. As I understand my hon. friend's question, it is: Prior to what time can the appeal be made? The Chief Electoral Officer informs me that he fixes the time and it is usually between the 36th and the 30th day before the election.

Mr. BOYS: There is another provision which states that when the appeal is taken, notice is to be sent, but it does not say within what time. There might be a delay of two weeks in signing that notice. I do not say that a returning officer having a proper sense of his duty would do that, but I should have thought provision would be made for a limited time within which notice must be sent to the voter whose name is to be struck off.

Mr. COPP: That is done immediately. Of course, there is no express provision for it. You would have to go back to clause 9 to change that.

Mr. BOYS: I should have thought there would be something to direct him to do it within a certain time or immediately. The sending of the notice might stand indefinitely, and the returning officer could not be found guilty of any specific offence.

Mr. CALDWELL: I can see another danger under clause 14. While it apparently gives the voter who is challenged a further right to appear, I think the minister knows conditions, especially in New Brunswick. Let us take an election being held in December. Many voters are in the lumber woods and they plan to come out on election day in order to vote. I notice—not in the bill, but in the explanation—this statement; if it was in the act it would be better, but even then it is not sufficient:

> No complaint or appeal shall be heard by the revising officer to strike names off the list of voters unless two day's notice in writing has been given by mailing it registered and prepaid to the person affected, addressed as on the list of voters or to his last known residence.

The CHAIRMAN: Is the hon. member discussing clause 15 now?

Mr. CALDWELL: I think this relates to clause 14 as well. These men are in the lumber woods. It might be a week before they would get the letter, and it might be a much longer time than that; it might not be until the following year. Therefore, a hardship might be worked in cases of that kind. All that a person who was desirous of getting people's names off the list would have to do would be to find out who were in the lumber woods and request that their names should be struck off. These men should not be called to come out and appear, losing their time when it is very inconvenient for them in any case.

Mr. COPP: There are difficulties in all these matters that are brought to the attention of the committee. It is, I think, an impossibility for the Chief Electoral Officer or anybody else to frame an act that would cover every individual case that a member might think about in his particular riding, and to provide for the lumber men in New Brunswick, the few miners in Ontario and the fishermen in Nova Scotia, British Columbia and elsewhere. There are always bound to be some little difficulties that it is impossible to meet. The Chief Electoral officer, who has given, not his whole time but the main portion of his time, to this matter for the past five or six years, has worked this out in order to cover the situation to the best of his ability. From the information and experience he has gained in the conduct of the last election, he has suggested these amendments. We have gone over them as carefully as we could in the committee on Privileges and Elections and have heard his explanations. If anybody can suggest anything that will improve the bill, I am sure the Chief Electoral Officer and myself will be very glad to consider any suggestions; but it seems to me that to undertake to change these various clauses here and there as we go along, will, perhaps, result in our getting into greater difficulties than if we accepted the judgment of the drafting done by the Chief Electoral Officer. I quite understand the suggestion of my hon. friend (Mr. Caldwell). Some man, a political partisan perhaps,

might make a wrong affidavit, and a notice would be sent to somebody who would be in the lumber woods or on a log drive. Such a man might not get that notice and he might suffer an injury by having his name removed from the voters' list when it should not have been. The man, however, who made the affidavit would be liable to be charged with perjury. This is a thing that would not happen often although, perhaps, it might happen occasionally. It would be impossible to find a panacea to cover every case we could think of in this Dominion.

Mr. STEWART (Leeds): I think all these objections would perhaps be met by a very simple change in this clause. I move that the word "shall" in clause 14 in the fourth line on the top of page 8 be changed to "may". That leaves it in the discretion of the revising officer in cases of this kind to leave the name on the list.

Mr. COPP: That is quite satisfactory.

Amendment (Mr. Stewart, Leeds) agreed to.

Mr. BOYS: I regret to say that I do not feel myself satisfied with regard to the point I have just mentioned. I do not seek in any way to raise any extraordinary or unique situation, but this is a situation which seems to me to apply to every instance whether it be in a city or town or anywhere else. In dealing with it, one has to refer to clause 9 which adds as a subsection the rule (5A). I am quite aware that the revising officer holds his courts and everybody knows where those courts will be. But this is an extraordinary remedy which you are giving to every voter whose name appears upon the list. As I read the clause, there is nothing to limit it. As the clause reads, he may apply to the revising officer by making affidavit at any time whatever. Supposing he makes his application a day or two before election day, what opportunity would there be to send a notice to the voter whose name is to be struck off and to give him an opportunity of appearing and opposing such action? Unless I am overlooking some provision in the bill, it seems to me you must get this result. If there is anything in the bill stating that this must all be done not later than the last day on which there is a revision of the list, my objection would fall to the ground, but I do not find any such provision. This is an extraordinary proposition and one that, it seems to me, can be set in motion when the revising officer has entirely completed his revision of the list. Some limitation must be provided or we are going to get into very serious trouble.

Mr. COPP: It is suggested by the Chief Electoral Officer that it might be remedied by inserting in line 37—clause 9—after the word "registrar" the words "during his sitting".

Mr. BOYS: In the first place, I should like to find out from the minister if I am right in my contention, because if I am right, we ought to deal with it. If I am wrong, we need not bother our heads any more about it.

Mr. COPP: The Chief Electoral Officer feels it is very satisfactory in the way it is, but those three words might make it a little clearer as to when it is to be done.

Mr. BOYS: Let us assume that the revising officer has completed his work, that the lists are revised; but, for instance, I make up my mind that there is on the list a certain name which should not be there. I look at the act and I find that by virtue of the provisions of clause 9, rule (5A) is added to section 32, and rule (5A) gives a voter who is on the list the right to object to some other name which, he thinks, is improperly upon that list.

Mr. COPP: He makes his objection before the registrar.

Mr. BOYS: Certainly; but I am stating the case where the work of revising the list has been completed.

Mr. COPP: The revision has not been begun when this takes place.

Mr. BOYS: Of course it has. I will ask the minister to assume that the list has been completed, and to apply rule (5A):

> Any voter qualified to vote in any polling division in the district allotted to any registrar, and duly entered in the list of voters for such polling division, may make oath before such registrar alleging the death, disqualification, or real residence and appearance in another list, of any person on the list for any of such polling divisions, and the registrar, upon such oath being made before him, shall transmit by registered mail addressed to the person objected to, at the address mentioned in the list of voters, if any, and also at such other address, if any, as may be mentioned in the oath aforesaid, a notice requiring the person objected to to appear in person or by representative—

And so on. Now, when may the voter take that proceeding? Is there anything in this act that says he must do so before the completion of the list?

Mr. COPP: The objection must be made before the registrar and not before the returning officer.

Mr. BOYS: I am by no means satisfied.

Mr. COPP: If my hon. friend is not satisfied, I am prepared to let this section stand until he has had an opportunity of consider-

ing it further. The Chief Electoral Officer tells me that it is all right.

Mr. BOYS: I can see nothing which says that that extraordinary remedy cannot be applied two days before the election. Can the minister refer me to anything in the act to the contrary?

Mr. COPP: The registrar's work is done long before that.

Mr. BOYS: I do not care whether it is done or not, this section says the voter may apply to the registrar. The registrar remains, does he not, until the election is over?

Mr. COPP: Would not this make it absolutely clear—"before such registrar during his regular sittings."

Mr. BOYS: "At or before"—he cannot do it during his regular sittings. Suppose he is on his last day, what time is there going to be to send this notice out, have the voter appear, and so on?

Mr. COPP: Ten days.

Mr. LEADER: Why is our Elections Act so cumbersome and intricate, so complex and hard to be understood by the general public? I am very sorry that the Chief Electoral Officer did not bring in an act more simple in form. It could be contained in a dozen pages and the common people could readily understand it. The old act contains 245 pages. We have seen in this House eminent lawyers disagreeing on certain clauses of that act and if these legal gentlemen are at a loss to understand it how are we to expect the common people who are the ones most concerned, the voters, to have any clear knowledge of it?

Section agreed to.

On section 15—Applications to revising officer.

Mr. COOTE: The minister might explain this.

Mr. COPP: This is a continuation of section 9 of the act.

Section agreed to.

On section 16—Duties of revising officer before polling day.

Mr. COPP: The note opposite explains the section. Rule 15 of schedule (a) to section 32 directs the revising officer to certify and commence the printing of his lists and to send statements of changes and additions to candidates on the twelfth day before polling day. The sittings of the revising officer conclude on the fifteenth day before polling day, and as time presses at this stage and it is important that the printing of the lists should be completed as early as possible, there seems to be no reason why the statute should require an unnecessary waste of three days.

Mr. CALDWELL: Does the minister not think that this section should stand until we have disposed of section 21? There must be fourteen days between nomination day and polling day, and if the list is to be presented to the candidate on nomination day the revising officer would have to complete his work more than twelve days before polling day.

Mr. COPP: This is not the list my hon. friend refers to; this is the preliminary list. Under the present statute there is a waste of three days and this amendment is intended to obviate that.

Mr. COOTE: The amendment itself does not read that way. It says:

> As soon as possible after the conclusion of his sittings and at latest on the twelfth day before polling day, the revising officer shall—

Is there anything to hinder him from sending it within fifteen days?

Mr. COPP: He is to do it as soon as possible after the work is finished, but not later than the twelfth day.

Mr. COOTE: How many days must elapse between the sending of the lists and the election?

Mr. MEIGHEN: I am very much afraid of section 15, as of most of them. It puts the onus on the person appealing against the name to show that the particular voter has no right to vote. It has unfortunately been the practice in large cities to put on the lists all sorts and conditions of people, hundreds of whom do not live at all and never did live. How are you going to show that some fictitious name is fictitious? You cannot do it. You can put the burden on the man appealing but he cannot discharge that burden; there is no way of doing it. What would be the result? You would have thousands of names of people who were merely imaginary, all voting by telegraph, and no one could appeal and establish his claim against a single one of these fictitious people.

12 noon

Mr. COOTE: I am interested in section 16. It seems to provide that instead of fifteen days between the time the list is mailed and polling day there shall be only twelve.

Mr. COPP: The new rule provides that it may be done "as early as possible" but must not be done later than the twelfth day.

Mr. COOTE: That is the only point I want to clear up.

Mr. CALDWELL: Are any changes permissible in the list after the official list is delivered to candidates on nomination day?

Mr. COPP: It is the preliminary list that goes to the candidate on nomination day. All changes are made, in urban lists, after nomination day.

Mr. CALDWELL: And what about rural lists?

Mr. COPP: They may be changed after nomination day, too.

Mr. COOTE: It seems to me that in the rural districts fifteen days is too short a time, because these lists should be sent by the candidate to his agents in the outlying districts so that they may see that they are correct. For some of the rural districts at any rate the time is too short.

Mr. COPP: This applies only to urban districts.

Section agreed to.

On section 17—Record of rural registrars appointed.

Mr. BEAUBIEN: In the last general election the final lists in some cases were not received until three days after the election.

Mr. CASGRAIN: It is the same in the rural districts.

Mr. BEAUBIEN: It is awfully hard to have your agent work in your best interests if you have not the revised list in your hands beforehand.

Mr. COPP: Mistakes may occur in any election. The same thing occurred in parts of my riding. But section 18 is intended to assist in that respect by having the list given to the representatives in the rural districts.

Section agreed to.

On section 18—Rural lists to be sent to candidates.

Mr. COOTE: This section will be all right, I think, if you do not insist on the change requiring only one week to elapse between nomination and polling day, but if that provision should carry later on, I think these lists should certainly be in the hands of the candidates before nomination day.

Section agreed to.

Sections 19 and 20 agreed to.

On section 21—Interval between nomination and poll altered.

Mr. COPP: I would move that this section stand for the present.

Mr. MEIGHEN: In the meantime I would suggest to the minister that he get the Minister of Defence (Mr. Macdonald, Pictou) to frame an amendment to section 21 to submit to hon. gentlemen to my left showing how that sixty days can be arrived at by an amendment to section 21. I would like him to exercise his ingenuity on that.

Mr. COOTE: I would ask the minister to inform the committee why he wishes this section to stand, and whether he is going to consider the advisability of lengthening the time between nomination and polling day.

Mr. MACKENZIE KING: I asked the minister in charge of the bill to hold this section for the moment. I have sent to get information covering the last twenty years as to the length of time that has elapsed between the day of officially announcing the election and polling day, because I think that information would be of interest and helpful to the committee in deciding this mater. Last night in the discussion which took place a great deal was said about the interest of individual candidates in different ridings, but nothing or very little was said with respect to the public interest and the desirability of not keeping business in this country in an unsettled condition over a long period of time. That, I believe, is the reason why in Great Britain and other countries the time fixed is as short as it can be. Everyone knows that during the period of an election, business becomes greatly unsettled. Large business concerns will not place orders, banks more or less suspend a part of their loaning operations, and generally the whole business of the country is unsettled through the period in which the political campaign takes place. The government in seeking to shorten the period of time had this in mind and more particularly the confusion of the last election when over a quarter of the year was taken up in an election campaign, in so acting we believe we are furthering the best interest of the country primarily and doing what will prove to be in the interest of candidates themselves. It must be remembered that a political campaign does not necessarily start the moment the announcement of an election is made. The people of the country are judging a government from the moment it takes office, and all through the year constituencies are being addressed by members and candidates. When my hon

friends return to the west the first thing they will do, I imagine, will be to visit different parts of their constituencies and express their views on the political questions of the day. So the limiting of time does not mean that political discussion is being confined within these limits. It is simply that the country may know that for a certain period, and only for that period, will the necessary turmoil of a political contest be kept up.

However, as I have said, the reason for holding this section for the moment is to get the further information I have sent for; and I think if we discover by it that it has been possible to hold elections in this country for a number of years in a shorter period of time, that ought to be some guide to the committee in settling this matter. Again I would say that the period of forty-five days is from the point of view of the Chief Electoral Officer only, what in his opinion could happen under the most favourable circumstances assuming that there is no hitch in any particular. That is the minimum, but it does not mean that the election may not take a very much longer time.

Mr. COOTE: My reason for rising to speak a moment ago was that this section is going to shorten the time between nomination and polling day to one week in most of the constituencies, and I am sure that that will be too short. It is simply inviting trouble, because in many of the constituencies it will be found almost impossible to print the ballots and distribute them to outlying polls within one week, and it may result in many elections having to be fought all over again. I repeat, it is simply inviting trouble. I cannot see why we should shorten that time at any rate, regardless of what we do as to fixing the time between the issuing of the writ and polling day.

Mr. BROWN: There is one point in regard to this change that perhaps has been overlooked. We must remember that when this act was prepared that we are now revising, an entirely new system of preparing the lists was adopted. Printed lists were discarded, lists that had formerly been prepared for a considerable length of time before the election. The new provisions as to the preparation and distribution of the lists on the basis of two weeks elapsing between nomination and polling day were inserted, and if the act is changed it seems to me it will lead to a great deal of confusion in the minds of every person in regard to the situation that prevails between the issuing of the lists to the candidates who are not officially nominated until the seventh day before election day. It seems to me it is opening the way to confusion.

Mr. KENNEDY (Edmonton): I would like to make a few remarks on this question.

The CHAIRMAN: This clause stands.

Mr. KENNEDY (Edmonton): I shall take only a few moments. The fact that elections have been held—

Mr. LAPOINTE: Mr. Chairman, I rise to a point of order. The adoption of this section is not moved. I do not see how we can debate it. Surely the minister in charge of the bill has the right to take section 22 instead of section 21. When he moves for the adoption of section 21 that will be the time to debate it.

Mr. KENNEDY (Edmonton): I just wish to suggest, in view of the fact that the Prime Minister is taking certain things into consideration, that he take this point into consideration also. In some of the large constituencies in days gone by it has been found that the period of two weeks between nomination day and polling day was insufficient and some polling districts were not able to get their ballot boxes.

Section stands.

Section 22 agreed to.

Mr. COPP: I would ask that section 23 be allowed to stand also. It relates to section 21.

Section 23 stands.

On Section 24—Information given before poll is closed.

Mr. CALDWELL: I should like to have some information as to why this subsection is being repealed.

Mr. COPP: The Chief Electoral Officer in his 1922 report says:

> Section 60, subsection (1a) makes it an illegal practice for any "candidate, officer, clerk or other person" to communicate to any one before the close of the poll information as to whether any person has voted or applied for a ballot paper at any polling station. This provision seems to be quite unnecessary and unless it is disregarded, as it probably often is, merely involves extra and unnecessary expense to candidates. No public interest would seem likely to suffer by reason of its repeal and it is recommended that the clause be repealed."
>
> The paragraph repealed reads as follows:—
>
> (a) before the poll is closed, communicate to any person any information as to whether any person on the list of voters has or has not applied for a ballot paper or voted at that polling station; or,

You can get that information at all times by having an agent outside the polling station who checks every person who goes in. If you

can get that information at the present time I see no reason why a candidate should not obtain it from his agent inside the poll.

Mr. LOVIE: If this section is adopted it will simply mean that there will be no order at all inside the polling booth; it will result in a mob gathering inside.

Mr. COPP: They cannot get in; nobody is allowed in except those persons authorized under the act.

Mr. LOVIE: But under this provision they will be going into the polling station to get the names of persons who have or have not voted.

Mr. COPP: Not at all.

Mr. LOVIE: All right.

Sir HENRY DRAYTON: It would be interesting to know why any obligation is imposed upon the officers to give the information.

Mr. COPP: Not at all.

Sir HENRY DRAYTON: Then the effect of the amendment is very plain. It will mean that governmental candidates, with their supporters, will be able to get full information from the deputy returning officer or the poll clerk as to who has voted and who has not voted. That will relieve the governmental candidates from the trouble of having outside scrutineers.

Mr. LAPOINTE: Why does my hon. friend specify "governmental candidates"?

Sir HENRY DRAYTON: I point out in the first instance that as a result of the answer given to me by the Secretary of State (Mr. Copp) there is no duty thrown on the election officers to give this information; they can simply give it if they please. The result will be they will only give it to their political friends; they will give it in the direction of the gentleman who has had to do with their appointment. As a matter of practical working out it simply means, therefore, that the governmental candidates will not be put to the trouble and expense of having to maintain outside scrutineers for the purpose of knowing who have or have not voted, whereas the other candidates will.

Mr. GRAHAM: Would not every candidate have his agent inside the polling booth to give the information?

Sir HENRY DRAYTON: He might or he might not. It is perfectly clear, at least as I see it, that the opposition candidate will encounter greater difficulties than the governmental candidate unless there is a requirement to give information. That is how the matter will work out.

Mr. LAPOINTE: Surely my hon. friend knows that the returning officer has no power to go and give information; he is there to attend to his duties. Certain information is given by the agent of each candidate. Surely the two candidates, or the three candidates as the case may be, will be on an absolute parity at the poll in that respect. Then why does my hon. friend speak as he does? It carries a sort of suggestion that this is being done to help the governmental candidate. This is a suggestion made by the Chief Electoral Officer immediately after the last general election when he presented his report. Surely, therefore, there is no evil intention in the present amendment.

Mr. LOVIE: To whom is the information to be given? The law at present says that, except the authorized officials, only the person voting is allowed to enter the polling booth.

Mr. LAPOINTE: The candidate or his representative at the polling booth. It is always done.

Mr. STEWART (Leeds): Under the present law all the candidates are represented at the polling booths by scrutineers, but it is illegal for the inside scrutineer, or any candidate, to pass out information to the outside scrutineer or to any other person as to who has voted. However, that is done; elections cannot very well be carried on without knowing whether certain people have voted or not. The object of this is to authorize the inside scrutineer to inform the outside scrutineer, or any other person as to whether John Smith, Henry Brown, or some other person has voted.

Section agreed to.

On Section 25—Expense voucher.

Mr. SPENCE: Would the minister kindly give the committee further particulars about this?

Mr. COPP: This is a simple amendment with regard to the transmitting of the polling station accounts. The act provides that they shall be enclosed in a special envelope and placed in the ballot box. This might result in delay, the accounts might be put in the wrong box and get mixed up. No provision is made with reference to the ballot box key which, under the instruction necessarily issued by the Chief Electoral Officer, is delivered to the returning officer or sent to him by regis-

tered mail. There is no reason why the ballot box key and accounts might not be sent to the returning officer in the same package instead of being placed in the ballot box. It is much more convenient.

Section agreed to.

Section 26 agreed to.

On section 27—Declaration of election.

Mr. STEWART (Leeds): There was some discussion in the committee as to the effect of the failure of the returning officer to make a written declaration, and it was suggested that he should declare the candidate elected and also make a written declaration of it.

Mr. COOTE: What is the present practice? Does it require to be sent by registered letter in every case?

Mr. STEWART (Leeds): The present practice is that he does not make any declaration in writing. He simply declares a man elected, but this section requires him to make a declaration in writing. I think he should declare a candidate elected and also give a written certificate.

Section agreed to.

On section 28—Custody of ballot boxes.

Mr. COOTE: Why should we carry that section without some consideration? The question as to who should have the custody of the ballot boxes is a very important one.

Mr. COPP: This is to take care of the empty ballot boxes after the election.

Mr. COOTE: I thank the minister for the explanation, and I think the section might be agreed to. If the minister would make an explanation with every section we would get on faster. I think the minister should loosen up a little.

Mr. COPP: I was giving the information as readily as I could. Sometimes I have to get the information from the official and give it to the committee.

Mr. MICHAUD: It is only one member on the other side of the House who requires all the information.

Mr. LEWIS: He is the general spokesman for this side.

Section agreed to.

Section 29 agreed to.

[Mr. Copp.]

On section 30—Inspection of election documents.

Mr. STEWART (Leeds): I think this section should have serious consideration. I made some objection to it in the committee. The purpose of the section is to enable the candidate or someone on his behalf to go to the electoral office and inspect the poll book for the purpose of ascertaining who has voted.

Mr. COPP: Not the poll book.

Mr. STEWART (Leeds): Yes.

Mr. COPP: That was proposed in committee but not carried.

Mr. STEWART (Leeds): I think this is wide enough to cover the poll book.

Sir HENRY DRAYTON: There is no change in section 30.

Mr. STEWART (Leeds): I think there is a change in that section.

Mr. COPP: None of the books can be examined by anybody without an order from the judge.

Mr. STEWART (Leeds): Will the Secretary of State tell us what documents may be inspected and what may not be inspected.

Mr. COPP: The explanation given by the electoral officer is this:

> Section 75, subsection 2, provides that "no person shall be allowed to inspect on any election papers in the custody of the Chief Electoral Officer" except under the order of a judge, and "election papers" are defined by section 2 (f) as including "all. . . . documents sent by any returning officer to the Chief Electoral Officer. . . . or any instructions issued by the Chief Electoral Officer or his Assistants." It seems entirely proper that poll books, ballots and other like papers should be available for inspection only under an order of a court or judge, but the same considerations do not, it is submitted, apply to any instructions sent by or on behalf of the Chief Electoral Officer to any election officer or other person, to reports or communications made by any election officer to the Chief Electoral Officer, or to any correspondence by or with the Chief Electoral Officer. Such papers are in the nature of the proceedings of a court and should be subject to search and examination to the same extent and in the same way as the documents on file in any court of record.

That would be without an order of the court or judge, but the poll book or other like papers, which would be in the hands of the chief electorial officer, cannot be examined without an order of the judge.

Mr. STEWART (Leeds): I was under the impression that poll books might be examined. I now find that is not the case, but a lot of other documents may be inspected, and it is just a question whether this is wise or not.

Mr. KENNEDY (Glengarry and Stormont): By this section we are allowing any person to inspect these documents, to make extracts therefrom and to be entitled to receive certified copies thereof. While a candidate or his representative might be allowed to do that, I do not think it should be open to every person to do the same.

Mr. COPP: Any voter may be interested in the matter. It must be remembered that this refers only to making extracts from certain papers, and it is left in the judgment of the Chief Electoral Officer whether he should give him what he wants without the sanction of the court. If he has to have an order from the court, he has to make an affidavit and a petition.

Section agreed to.

On section 31—Disqualification for corrupt and illegal practices.

Mr. SHAW: What is the purpose of making this retroactive?

Mr. COPP: It was brought to the attention of parliament with regard to the case of a gentleman elected to this House who was unseated for some corrupt practices or what were presumed to be so. In any case he was unseated and there was a question whether he was disqualified or not. This clause and clause 20, which refers to corrupt practices, provide that a man is not disqualified under the conditions that applied at that time.

Mr. SHAW: I understand this subclause (2) of clause 31 is for Mr. Johnson's benefit.

Mr. LAPOINTE: It will apply to any similar case.

Mr. BOYS: It makes provision for giving him a hearing.

Mr. LAPOINTE: And the court will have to say, not only that he is guilty of something that under the act is an illegal practice, but that he is disqualified as well.

Section agreed to.

Section 32 agreed to.

On section 33—Correction of French version.

Mr. MICHAUD: I should like to draw this matter to the attention of the minister and the Chief Electoral Officer. Proclamations are printed in the official languages of the country, which are French and English. The French proclamations are posted up in Quebec on account of the people there speaking and reading French. In the Maritime provinces we have many constituencies where the electors are practically all French-speaking therefore, I would ask that when these proclamations are sent to French districts in the Maritime provinces, the French proclamation should be posted up with the English one, so that our people will understand what the proclamation means. During the last campaign I was compelled on several occasions to explain to our French-speaking electors what these proclamations printed in English meant.

Mr. COPP: I will remember the suggestion before the bill is finally put through and see what can be done.

Section agreed to.

Mr. CALDWELL: Is section 32 carried?

The CHAIRMAN (Mr. Casgrain): It was declared carried.

Mr. CALDWELL: What was the force of it?

The CHAIRMAN (Mr. Casgrain): Is it the pleasure of the committee to revert to section 32?

Some hon. MEMBERS: Carried.

On section 32—Number of voters required for advance poll.

Mr. CALDWELL: How does the minister explain this section?

Mr. COPP: If my hon. friend will be good enough to read the note on the opposite page he will find the section fully explained. I do not think there is any difficulty about it.

Mr. CALDWELL: Looking at the explanation, the section seems all right. But we should not rush these things through in this way.

Section agreed to.

Section 34 agreed to.

On section 35—Disqualification of persons supported by charity.

Mr. COPP: Inmates of institutions supported by public charity are disqualified.

Mr. CAMPBELL: That would not refer to persons in receipt of unemployment relief?

Mr. COPP: No.

Mr. IRVINE: Suppose a labour man sustained an accident and became incapacitated, and failing to get compensation he found himself in a public institution, would he be debarred from voting?

Mr. COPP: It would depend upon whether he was in the pauper class—in a charitable institution. A man might be injured and be

taken to hospital, and while he might not be able to pay his expenses, he would not be disqualified.

Mr. IRVINE: But what about the man in the poorhouse?

Mr. COPP: Under the present act the disqualification applies to prisoners, patients in lunatic asylums, persons maintained in whole or in part by public support, persons in houses of industry, or persons receiving charitable support in institutions maintained by the public. This amendment, by adding the words, "other than for war purposes", makes an exception of returned soldiers who may be in public institutions.

Mr. IRVINE: I agree with that provision. But why should a man be disqualified because he happens to have been injured in the service of his country in peaceful pursuits?

Mr. LEWIS: I do not like the suggestion as to charitable support. There might be many people who would be anxious to vote but who, because they received charitable support to any extent although they were not being supported entirely by the public, would be unable to vote.

Mr. COPP: That has always been the law.

Mr. FORKE: This would not apply to any one in a sanatorium?

Mr. COPP: No.

Mr. IRVINE: Suppose a bachelor farmer hurt his spine hauling hay; suppose his land were mortgaged to the hilt; suppose he were incapable of earning his own living. If a few weeks after his accident he found himself compelled to go to the poorhouse, would he be debarred?

Mr. KENNEDY (Edmonton): Why is this section necessary?

Mr. GRAHAM: In a large institution, with a particular government in power, the officials in charge of the inmates might favour that government in an election, and they might take the inmates out in a body to vote for the party in power. It was the custom before this law was passed, years ago, for officials in institutions of this kind to do that sort of thing, and such an action might turn any election.

Mr. LEWIS: Why not use the words, "contained within any charitable institution?"

Mr. COPP: The only change we are proposing is to make special provision for returned soldiers who may happen to be in public institutions.

[Mr. Copp.]

Mr. IRVINE: The proposed amendment improves the act; but why not make it better still?

Mr. COPP: We do not want to make progress too rapidly.

Section agreed to.

On section 36—Form 3 amended.

Mr. COPP: This is purely a formal amendment, necessary to carry out the amendments to sections 22, 23 and 24, which we have already passed.

Section agreed to.

On section 37—New forms 17a and 17b.

Mr. MEIGHEN: This is to give effect to sections 6 and 15, and as I consider section 15 the most vicious in the measure I object to this section going through. Section 15 seemed to carry suddenly, and I think it is very dangerous.

Section agreed to.

On section 38—Schedule four.

Mr. COPP: This section stands.

Mr. LEMIEUX: Has the Minister of Justice (Mr. Lapointe) considered the situation as regards the relation of the Magdalen islands to the mainland so far as the constituency of Gaspe is concerned? As regards the mainland I am quite satisfied with the section as it reads and with the changes that are being made. But conditions are different on the Magdalen islands. During the winter there is no communication with the mainland, and if an election should take place at that time a serious difficulty might arise in the matter of the proclamation, the ballots, and so forth. I understand that under the Quebec election law the proclamation may be telegraphed and the ballots prepared by the returning officer. I remember once, when I was a candidate upon being made Solicitor General, the election occurred in winter. Fortunately I had no opponent, and as everything had been prepared to meet the contingency there was no trouble. The proclamation had been telegraphed, and so far as the ballots were concerned, I believe the deputy returning officer was authorized to have them prepared. I should like to impress upon the Minister of Justice the importance of seeing that provision is made in the act to meet any contingency in this connection, especially so far as the Magdalen islands are concerned. These islands are practically isolated for a period of four and a half months.

Mr. LAPOINTE: Cannot the ballots be prepared there?

Mr. LEMIEUX: There is a population in that part of the constituency of some seven thousand. I would ask the Minister of Justice to consider this matter.

Progress reported.

CANADA GRAIN ACT AMENDMENT

Hon. T. A. LOW (Minister of Trade and Commerce) moved that the House go into committee on Bill No. 113, to amend the Canada Grain Act.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

Section 1 agreed to.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

On section 2, paragraph (a)—"Minister".

Mr. COOTE: Would the minister explain why the word "Minister" should not mean the Minister of Agriculture? I have always found it difficult to imagine any reason why every other article produced by the farmers should be under the jurisdiction of the Department of Agriculture, and grain under the Department of Trade and Commerce. Is the Department of Trade and Commerce particularly fitted for the supervision of this trade? The question has often been asked by the farmers themselves, and possibly the minister might give us some reason why grain comes under his department.

Mr. LOW: When the Grain Act was passed it was placed under the Department of Trade and Commerce, and has continued there since that time. It might be that the Minister of Agriculture would be better able to handle this than the Minister of Trade and Commerce, but this matter was within the Department of Trade and Commerce when I took it over, and I see no reason why a change should be made. The matter of the inspection of grain can be handled just as well under the Department of Trade and Commerce as under the Department of Agriculture. I do not see that anything would be gained by making a transfer.

Mr. COOTE: I do not want to delay the committee, but I think there would be this advantage to be gained, that as a rule we have a farmer as Minister of Agriculture, and very often a farmer from the west, where the grain is produced. I do not suppose it is possible to make a change at this late date, but I wanted to bring that point to the committee's attention.

Mr. MEIGHEN: It is just possible though, that under present conditions it really makes no difference.

Mr. COOTE: I think we are soon to have a new Minister of Agriculture.

Paragraph agreed to.

On section 2, paragraph (cc)—"Private elevator".

Mr. MILLAR: I think "section 141" should be changed to read "section 140", as that is the number of the section in the act now.

Mr. LOW: That is correct. I move that the paragraph be amended accordingly.

Amendment agreed to.

Section as amended agreed to.

Section 3 agreed to.

On section 4, subsection 1—Board of Grain Commissioners.

Mr. MEIGHEN: I am trying to follow this, Mr. Chairman, but I am only at wheat pools yet, and what I am doubtful about is the limited nature of that definition. I can understand the rest of it defining wheat pool, but why should it include "any other person or corporation which in the opinion of the board is empowered to act and is in fact acting on behalf of or in co-operation with such wheat pools or any of them"? That seems to be pretty dangerous.

Mr. BROWN: The explanation given to the committee by those representing the wheat pool was that it was meant to indicate the selling organization which they had established.

Mr. MEIGHEN: That would be all right if it meant the selling organization established by the pool.

Mr. BROWN: By the pool, yes.

Mr. MEIGHEN: Here they could give anybody all the advantages given for the wheat pool.

Mr. CRERAR: I think it is all right.

Subsection agreed to.

On section 4, subsection 3—Commissioner to retire at seventy. Proviso.

Mr. MEIGHEN: Will anyone tell us whether there is a change? I do not want to

delay the committee while I read each provision, but I should like to know when there is a change.

The CHAIRMAN: I will indicate, as we come to each section or subsection whether there is a change or not.

Subsections 3, 4, 5 and 6 agreed to.

Section 4, on subsection 7—Salaries of commissioners.

The CHAIRMAN: I draw the committee's attention to the fact that apparently there have been amendments, the amounts being $10,000 and $8,000.

Mr. MEIGHEN: Apparently I am the only one on the side of keeping salaries within the limits of the capacity of the public to pay. Really, I do not know where we are drifting. It is a poor day when this government does not raise some scale of salaries. It will soon be a case of the Canadian people working for a few officials.

Mr LOW: This recommendation was made by the committee on Agriculture. It is for parliament to accept or reject it.

Mr. MEIGHEN: I think it is just as justified, a little more so, than a great many increases. But this is all in the wrong direction. At a time when there should be general retrenchment, the government insists on pushing salaries all over the area upwards, and ever upwards; they are never content.

Subsection agreed to.

On subsection 8—Secretary.

Mr. CRERAR: I think it is necessary to suggest an amendment to this subsection. It deals with the appointment of the secretary to the board, and reads:

There shall be a secretary of the board who shall be appointed by the board.

But the committee in drafting that subsection apparently did not give the board power to fix the remuneration of the secretary. It will be necessary for him to get some remuneration, and I would suggest, therefore that subsection 8 be replaced by the following:

There shall be a secretary to the board, appointed by the board, who shall be paid such salary or remuneration as may be determined by the board.

Mr. MEIGHEN: Why should the secretary be appointed by the board? Why should he be appointed differently from all other appointments?—at least from those remaining of all other appointments where this government has not completely destroyed the Civil Service Act.

Mr. CAMPBELL: I feel rather inclined to support the suggestion of the right hon. leader of the opposition. I may say that as a member of the committee on Agriculture, I raised no objection to this provision in committee, but it has been pointed out since that it will impose a hardship upon this particular secretary in that it leaves him separate and apart from the control of the Civil Service Commission and would give him none of the privileges that go with the Civil Service Act. Possibly the point is worthy of consideration.

Mr. MEIGHEN: I move an amendment that the words after the word "board" in the first line be struck out.

Mr. CRERAR: The committee discussed this matter at some length, and I think the very general judgment of the members was that the Board of Grain Commissioners were the best judges of the official who should act as their secretary. While the provision infringes upon the Civil Service Act method of appointments it does not introduce in the slightest measure the objection that was generally held—that is the possibility of a patronage appointment. At any rate, it was felt by the committee that the Board of Grain Commissioners were the best judges of the person who should be their secretary, and for that reason this subsection was put in the bill as it is.

Mr. MEIGHEN: There is always somebody under whom a person works in a branch or department, and the argument would apply that that official ought to know best whom he wants in his branch, but the fact is when that is done you revert to patronage. As a matter of practice that always happens. It never would in the past if it would not do so now. The Civil Service Commission in a case of this kind always take into account the views and expressions of the grain commission, and I do not know of any single complaint as to any appointment made by the commission for the board. I do not understand why gentlemen to my left should be in favour of an infringement of the Civil Service Act here. We have had nothing but one infringement after the other ever since the present administration came in. It is getting worse; the supplementary estimates provide for a whole lot more. The whole structure is being impaired; it is crashing piece by piece and patronage coming back week after week.

Mr. CRERAR: May I ask my right hon. friend if he thinks there is any possibility of

patronage getting into a particular appointment by the Board of Grain Commissioners?

Mr. MEIGHEN: Certainly.

Mr. CRERAR: Why?

Mr. MEIGHEN: The hon. member for Marquette has been in charge of appointments, and if there is a commission operating under him the secretary of that commission is going to be appointed subject to his dictation.

Mr. CRERAR: I have no power over the commission who hold office for ten years.

Mr. MEIGHEN: Very good. That is all right. Sometimes the grain commission want a thing as well as other people. For example they have got something right here. My hon. friend knows that as a matter of actual practice in running a department that is where the real authority is, and that is where the temptation comes from, no matter how the theory may be set forth.

Mr. SHAW: I am opposed to the amendment of the hon. member for Marquette. He may not call himself—I do not suppose he does—an advocate of a return to the patronage system—

Mr. CRERAR: I should hope not.

Mr. SHAW: —but this seems to me unquestionably a step in that direction. I should like to put this question to the hon. member: The present secretary of the Board of Grain Commissioners has been appointed under the provisions of the Civil Service Act; has not that method of appointment been found satisfactory? If so, then certainly there should be no occasion for the change suggested. I am opposed to any return to the patronage system, and I think this is simply a step in that direction.

Mr. STEWART (Argenteuil): It seems to me that the subsection should be quite acceptable as it is. I can see very good reasons why the board should want to have the appointment of this secretary, but I cannot go as far as my hon. friend from Marquette (Mr. Crerar), that the salary should be under their control as well, when we have a Civil Service Commission adjusting salaries and maintaining an equality of salaries throughout the service.

Mr. CRERAR: I have no very pronounced view on the matter. I am as much opposed to patronage as anyone in this House, but I was simply endeavouring to state to the committee what in my judgment was the general opinion of the agricultural committee when the clause was under consideration.

Mr. WARNER: I have taken some pains to decide what view I should take regarding this matter. I do not want patronage any more than other hon. members who are opposing the proposition for the board to appoint their own secretary. Hon. gentlemen seem to fail to take into consideration the fact that this grain business is different from the ordinary work that the civil servant does. The government does not pay for this business. The grain that is handled and managed by this board pays all the expenses; it is outside of the civil service and in a class by itself. I am quite well aware that some members in my own group do not agree with my ideas, but I have them just the same. I believe the board to be the best judge of who should do the secretarial work. I believe they should have a chance to appoint the man who they think is going to be the best man for the position without any hindrance from any other source outside of the management of the grain business. I am not very particular whether I go so far as to say that the secretary should be paid by the board, but I do not think it would be out of the way for the board to pay their own secretary, as they pay the other expenses of handling the grain. I am not anxious to see any encroachment on the prerogatives of the Civil Service Commission, but I do not believe the grain business was considered when the Civil Service Act was put into force. I believe it was the general position of civil servants throughout the country that was considered. I have confidence in the board, I think the board should appoint their own secretary, and if the House see fit, I would be perfectly agreeable that they should pay for that service out of the grain business, the same as they pay the other expenses.

Mr. SUTHERLAND: The hon. member for Marquette (Mr. Crerar) stated that it was the general opinion of the committee that this change should be made. The committee was by no means unanimous in that regard. The bill as originally drafted did not provide for the appointment by the board, but by the Civil Service Commission. It is quite apparent that there has been a deliberate attempt on many occasions to belittle and undermine the influence of the Civil Service Commission. If this body is competent to do the work for which it was appointed, I do not see where any objection could be taken to the Civil Service Commission making the appointment of secretary to the commission. the position is a very important one, but with co-operation between the board and the com-

mission, I do not think there is any occasion for the amendment that was made in the committee being inserted in the bill. A great deal of time was taken up in connection with the matter, and the committee were by no means unanimous in regard to this amendment.

Mr. STEWART (Humboldt): I agree with the right hon. leader of the opposition that a mistake was made in amending the bill to place this secretary, who is not a technical officer in any sense, outside the Civil Service Commission, but I want to point out to the right hon. leader of the opposition that I think his amendment is hardly appropriate. It does not provide for the appointment in any special way. The clause as it came to us in the agricultural committee read as follows:

There shall be a secretary of the board who shall be appointed in the manner authorized by law.

That provided for his appointment and his salary, and I think the section should read in that way.

Mr. MEIGHEN: The section stated that "there shall be a secretary," and of course the rest is implied. He has to be appointed by law, and the Civil Service Commission would provide for the appointment.

Mr. STEWART (Humboldt): The special provision in section 9 reads:

Such other officers,—

Which would include in this case the secretary.

—may be appointed or employed in the manner authorized by law.

But exceptions are made, and when exceptions are made and an officer is named, and no provision made to cover his case, I think it is rather dangerous to leave it open.

Mr. MEIGHEN: I think I am right, but I do not think that the point is worth contesting. I shall be glad to put it in the form suggested by the hon. member for Humboldt, so that it will read:

There shall be a secretary of the board who shall be appointed in the manner provided by law.

Mr. CRERAR: I am quite willing.

Amendment (Mr. Meighen) agreed to: Yeas, 49; Nays, 47.

Subsection (8) as amended agreed to.

Section agreed to.

On section 5—Salaries and expenses of board, how paid.

Mr. MEIGHEN: Do the words "no change" mean no change from the original act or no change from the bill as submitted to the committee on Agriculture?

[Mr. Sutherland.]

Mr. LOW: No change from the original act.

Mr. STEWART (Humboldt): If the two drafts of the bill which I have in my hand are correct, the minister, I think, must be mistaken, because I see clauses marked "no change" which have a change in them. The changes were made in the agricultural committee.

Mr. LOW: The changes made in the agricultural committee are underlined.

Mr. STEWART (Humboldt): But the leader of the opposition was referring to the notations on the opposite page and they are confusing.

Mr. KAY: The notations on the opposite page refer to the original act as introduced.

Section agreed to.

On section 6—Head office.

Mr. LAPIERRE: I wish to call the attention of the committee to the severe loss which the twin cities of Port Arthur and Fort William would suffer by the removal of the Board of Grain Commissioners from Fort William to Winnipeg. Members of the committee had an opportunity of listening to the delegates from the twin cities. They presented the situation clearly and showed that a failure to carry out the promises made to them by the government, would inflict a grave injustice upon the twin cities. I have listened with a great deal of attention to the reasons advanced by our friends from the west why the board should be moved to Winnipeg, but I believe the losses which will be incurred by Fort William are greater than the benefits which will accrue to our friends in the west. Under the promise from the government, the citizens of Fort William subscribed capital sufficient to erect buildings at a cost of half a million dollars for the purpose of housing the commission. To-day we are asked to move that commission to Winnipeg. The cities of Port Arthur and Fort William, as my friends know very well, are western in character, spirit and enterprise, and I am sure our western friends would not support any measure that would retard in any way the growth and development of those two cities. It seems unjust that the fluctuating opinion of any group in this House should be allowed to impose a hardship upon those two cities. In view of the representations made by that delegation I move:

That all the words after the words "shall be" in clause 6 be struck out and the following substituted therefor:

"At such place as may be determined by the Governor in Council."

Mr. MANION: I should like first of all to thank my good friend the hon. member for Nipissing (Mr. Lapierre) for his words in this regard. I should have been pleased, however, had he not moved the amendment which he did, and unfortunately, because of his having moved the amendment, I shall be forced to move a subamendment. I shall move:

That clause 6 of the bill be amended to read as follows:

"The commissioners and the secretary shall reside in the city of Fort William or Port Arthur, in the province of Ontario."

The reason I word it in this way is because that is the wording of the original bill, and I sincerely hope the hon. member for Nipissing will be good enough to vote for this because, as a matter of fact, either it is wise to move them or it is not. In my opinion, it is not, and apparently my good friend thinks likewise. Therefore, I am sure when my amendment comes up he will give me a hand along the line I am taking.

I regret very much at this stage of the session to delay the committee; but I have not been taking up very much time recently, and because of the importance of this subject, not only to the city of Fort William, but to my good friends the members from the west, I feel the whole matter should be gone into. I shall deal with it in as short a time as possible.

If the Board of Grain Commissioners are moved from the head of the lakes to the city of Winnipeg, an injustice will be done, not only to the people at the head of the lakes, but to the grain growers of the prairie provinces as well. Any hon. gentleman amongst my good friends from the prairie provinces who listens to my remarks with an open mind, that is with a mind not already made up, will agree with me when I have finished that the proper place for the Board of Grain Commissioners is at the head of the lakes. I have given a good deal of thought to this question. I have lived at the head of the lakes for over thirty-five years. I am somewhat familiar with the grain trade, with the carrying of the grain from points in the west to the Atlantic seaboard, and somewhat familiar with it even further than that. The more study I have given to this question, the more important has it become to me that the proper place for the Board of Grain Commissioners is where they were placed in 1912 by the original Grain Act, and the grain growers have every reason for leaving them where they are. I have never been more sincere in my life in expressing an opinion in this House than I am at the present time.

Let me just in a few sentences explain, not, of course, to the grain growers, but to those members who come from Ontario, Quebec and other sections of the country, the grain trade of western Canada and show what the board have to handle in regard to the grain trade. The grain from the farm is taken in wagons to the country elevator. It is either sold there to the country elevator and loaded into cars from the country elevator, or loaded directly into cars over a loading platform. It is called "street" wheat.

After that it comes down on the railways to Winnipeg and until it gets there it is called "track wheat."—I am speaking of a large proportion of the grain, because one-fifth or one-sixth of it goes by way of Vancouver, but five-sixths of the wheat at any rate, if not more, goes via the head of the lakes. At Winnipeg the train stops forty minutes to permit of the grain being sampled and that is all that is done with it at Winnipeg except for the trading by paper of course, on the Winnipeg Grain Exchange. From Winnipeg, the grain after being sampled passes on to the head of the lakes where it is taken into the elevators, elevated, cleaned, weighed, and so on. All the handling of the grain is done there by the elevators and from that point it is loaded on the ships and taken to Georgian bay ports or Port Colborne or Buffalo, and finally shipped by way of Montreal or New York to the markets of the world. In other words, the great bulk of western grain is handled in the elevators at the head of the lakes which have a capacity of 65,000,000 bushels, the greatest elevator centre in the world, bar none. I should say that eighty-five per cent of the grain of western Canada is handled at that point through the private or public terminal elevators or through the private hospital elevators. All grain going out of these elevators has to be re-inspected at the head of the lakes on being loaded into the boats, and it is at the head of the lakes that "spot wheat", sold on the Winnipeg Grain Exchange and on the Liverpool market, is kept in store. So that the price of grain in the Winnipeg or the Liverpool market at the present time is the price of grain in store at the head of the lakes.

It will be seen from what I have stated that the Board of Grain Commissioners handles all the grain of the western farmer right across the country to the European markets. So far as inspection is concerned, I would point out that in many cases the cars are, to use the term that is usually applied.

"too full for inspection." Probably forty per cent of them in many seasons are in this condition and therefore are not inspected at Winnipeg at all except superficially, so that they must be passed on for fuller inspection at Fort William or Port Arthur.

Mr. CRERAR: What has the Board of Grain Commissioners to do with that?

Mr. MANION: I shall undertake to show what relation it bears to the Board of Grain Commissioners. I do not think I shall convince my hon. friend, who has already made up his mind.

Mr. BROWN: As my hon. friend himself has done.

Mr. MANION: Absolutely. I am trying to show why the grain commission should be stationed at the point where the grain is handled and not where it is merely traded in. As I was pointing out, a greater percentage of the inspection is carried out at the head of the lakes than at Winnipeg, and my contention is that the Board of Grain Commissioners should be located at the point where the bulk of the inspection is done. The grain commission was established at the head of the lakes under the Grain Act of 1912 and it has been there ever since, except for the past few years when Mr. Snow, one of the commissioners, with the consent of the rest of the board, as, indeed, by general consent, has been stationed at Winnipeg. No one has ever complained, nor is anyone complaining now so far as that goes, because no doubt the Board of Grain Commissioners knows best what should be done in carrying out the details of its work. And the grain commissioner who is in Winnipeg can deal with practically all, or at least a large proportion, of the questions that come up in dispute between the farmers of the west and any of the grain dealers on the Winnipeg Grain Exchange. So there is no reason why the whole board should be moved to any point outside the head of the lakes. I am not suggesting that there are no arguments to support the proposal to move the commission to Winnipeg, but the arguments certainly are very much stronger in favour of the Board of Grain Commissioners being located at the point where the grain is handled. Unless, therefore, some national interest can be shown to be served by moving them from the point where the grain is handled to the point where it is merely traded in, I certainly think, and I believe all hon. members will agree with me, that it would be a discrimination against the head of the lakes to move the board. As a matter of fact, Mr. Piper, a member of the Winnipeg Grain Exchange, some years ago wrote a book, which I read at the time, on the Grain Trade of Western Canada, in which he pointed out that the logical place at which the whole Grain Exchange should function was the head of the lakes, and not at Winnipeg. He pointed out that this was the only country where the grain exchange was several hundred miles—to be exact, four hundred miles—distant from the point where the grain was handled through the elevators.

Let me point out another fact—I am trying to give the reasons why the grain commission can be of more service to the farmers of the west, situated at the head of the lakes than anywhere else. The screening all takes place at the head of the lakes except as regards that percentage of the grain that goes through the port of Vancouver; and the screenings are a very important matter for the farmers of the western provinces. When I mentioned this fact in the committee my hon. friend from Marquette (Mr. Crerar) rather pooh-poohed the idea of the screenings being of much importance. Well, in that regard he does not agree with many of the prairie farmers. For instance, I might cite the opinion of Mr. Maharg given in parliament in 1919, and reported in Hansard. At that time Mr. Maharg made the statement that sometimes the screenings were worth more than the original grain.

Mr. CRERAR: I did not say that the screenings were of no importance to the farmers; I simply wanted to know what the question of screenings had to do with the location of the Board of Grain Commissioners at Winnipeg.

Mr. MANION: What I said was that the hon. gentleman pooh-poohed the idea that the screenings had anything to do with the situation of the grain commission, and I cannot agree with him in that contention. Mr. Maharg stated:

> There has been a tremendous revenue from screenings in the past few years.

And the present Acting Minister of Finance (Mr. Robb) made the statement in 1923:

> No question causes more trouble in the administration of the act than this question of screenings.

A year or two ago my hon. friend from Macleod (Mr. Coote) said that he had been paid the sum of one dollar per ton for screenings at Vancouver, and I think it is a matter of importance to the farmers of the west that they should receive the proper value of their screenings. I do not agree with my hon. friend from Marquette in this connection, because in my opinion the question

of screenings has a most important bearing on the situation of the grain commission.

Mr. CRERAR: I agree that it is of importance to the farmers of the west but I contend that it has nothing to do with the location of the board.

Mr. MANION: On the contrary, I submit that anything that is of considerable importance to the farmers of the west in the handling of the grain constitutes one of the reasons for the board being located at the point where it can best protect the interests of the farmers. I hold here a pamphlet in connection with the Dominion experimental farms—

Mr. JELLIFF: If I remember rightly the member for Macleod, when he spoke on this question a year or two ago, referred to the low price he got for screenings, mostly cracked wheat, at Vancouver. But how could the board, located at Fort William, deal with a matter of that kind?

Mr. MANION: What I am pointing out just now is the importance of the screenings to the farmers of the west; and as I have stated, most of the screenings are produced at the head of the lakes.

Mr. BROWN: We are all agreed that the screenings are important.

Mr. MANION: I am trying to prove that fact, because I do not think that we do all agree on it. I hold here a pamphlet issued in connection with the Dominion Experimental Farms, pamphlet No. 18, in which the value of screenings to the farmer is pointed out. Various prices are given, together with other information, and the value of the screenings ranges from $45 to $60 a ton. That of course is for the best of the screenings.

Mr. KNOX: What is the date of the pamphlet?

Mr. MANION: The date does not appear on it; at least I cannot find any.

Mr. MILLAR: Is it not possible that that was in the war years when prices would be high?

Mr. MANION: I do not know, but that may be.

Mr. GARLAND (Bow River): It is a pity to grow wheat if you can grow screenings at that price.

Mr. MANION: The pity is that the hon. member for Macleod should be paid only a dollar a ton for his screenings when they are worth eighteen dollars or perhaps much more.

Now I have before me, although I do not wish to take up time dealing with them, communications respecting the value of these screenings at the head of the lakes. Colonel Young, to whom I wrote, says that thousands of sheep and cattle are fed at the head of the lakes on these screenings.

Mr. BROWN: We know all that.

Mr. MANION: Apparently my hon. friend does not want me to go on with my argument but there are other members besides himself who do not handle grain, whom I am trying to convince of the importance of the grain commissioners looking after these screenings at the head of the lakes. I may point out that the Price-Waterhouse report shows the immense amount that the elevator companies, including the company of my hon. friend from Marquette (Mr. Crerar), have made on screenings alone. In 1916-17 his elevator company made a profit of $51,000 from this source.

Mr. CRERAR: My hon. friend is not right in that statement, and I do not propose that it shall go uncorrected.

Mr. MANION: Perhaps my hon. friend will correct it.

Mr. CRERAR: I will. That was the gross revenue from screenings. The elevator at Fort William has, under the law, to pay the farmer the value of his screenings.

Mr. MANION: The Price-Waterhouse report gives the earnings of the Grain Growers' Grain Association for 1916-17. I was not going to give these figures, but as my hon. friend disputes my word I must quote them. Their earnings for that year amounted to $446,000, made up of: elevator operations, $238,000; screenings, $51,000; overages, $157,000.

Mr. CRERAR: As to screenings, let me explain to my hon. friend, because I do not think he wishes to be unfair—

Mr. MANION: I do not wish to be.

Mr. CRERAR: I am quite sure of that; but he is unfair in the impression he has left on the House. I repeat, for his information and that of the committee, that those figures represent the gross values received for screenings. As against that a return was made to every farmer who had screenings in his car.

Mr. MANION: How much a ton?

Mr. CRERAR: I will explain for my hon. friend's benefit. It is necessary to state that the practice at Fort William, under the approval of the Board of Grain Commissioners, has been that when a farmer's car is marked

by the inspection department in Winnipeg with a dockage of 3 per cent no charge is made for cleaning that car, but the elevator retains the screenings.

Mr. MANION: That is correct.

Mr. CRERAR: My hon. friend agrees with me. On cars containing over 3 per cent, a charge is made for cleaning and a separate return is rendered to the farmer for the amount of screenings, which are sold in the ordinary way.

Mr. MANION: I do not want to argue the point with my hon. friend although I am quite prepared to do so. I am claiming that the elevator companies made a very good profit out of screenings at the expense of the farmer, and the Price-Waterhouse report shows what those profits amounted to.

Mr. CRERAR: The return is not correct.

Mr. MANION: I think I know something about screenings too, but I do not wish to continue the argument with my hon. friend. I am trying to point out to this committee the importance of the screenings question, and as my hon. friend disagreed with me I had to differ with him; that is all. I think from the facts I have given it is manifest that the screenings question is of very great importance, and I submit that the head of the lakes is the point where it should be dealt with for the benefit of the farmers of the prairie provinces.

Mr. GOULD: I could cite an instance where a certain farmer in western Canada had to pay a storage charge on screenings exceeding their value by $2.17.

Mr. MANION: I saw the statement, but I do not think the elevator companies lost very much on the handling of screenings; the only people who suffered were the farmers of western Canada.

Mr. GOULD: I am simply pointing out that to the farmer of western Canada the value of screenings is not of very much account when he has to pay more for storage than the screenings are worth.

Mr. MANION: I do not admit that screenings are worth so little as my hon. friend suggests. Another question is that of overages. I gave one example, and I could give many more, of the immense amount of money made by the various companies on overages, all of which takes place at the head of the lakes. The report shows that between 1911 and 1919 the overages amounted in value to ten million dollars, or a million dollars a year. I am not criticizing the elevator companies at the head of the lakes, because these overages are a legitimate gain to them according to the handling of grain in this country under our law.

Mr. SALES: There are over four thousand country elevators west of Winnipeg. The hon. member says that all the overages take place at the head of the lakes; I would say they do not.

Mr. MANION: Certainly, there are some now taking place at Vancouver, but the large proportion of the overages take place at the terminal elevators at the head of the lakes; so much so that, as I said, the elevator companies made ten million dollars between 1911 and 1919. I do not need to go into the reasons for the screenings being produced at the head of the lakes.

Mr. SPEAKMAN: All the overages at the terminal elevators originate in the country elevators.

Mr. MANION: Yes, they originate with the farmer on the farm and therefore they should all go back to him.

Mr. SPEAKMAN: I am simply suggesting that all these overages take place in the first instance at the country elevators.

Mr. MANION: We cannot very well have the grain commissioners at every country elevator, but we can have them at the elevators at the head of the lakes where eighty-five per cent of the grain of western Canada is handled. I am pointing out that at the head of the lakes is where the Board of Grain Commissioners should be, the point where the screenings, overages, and all the other handling of grain takes place. I am trying to convince my hon. friends that in their own interest that is where the board should be stationed. Mr. Maharg said in the course of the same speech in 1919 that if a large overage is taken, it is just that much taken from the farmer.

Mr. WARNER: Does the hon. member realize that the farmers of the west are awake to the importance of this screening business and are going to have cleaners on their threshing machines and keep the screenings at home?

Mr. MANION: I am very glad to hear that on behalf of the farmers. But I notice the Royal Grain Commission did not recommend that, and in the discussion before the committee many members did not agree that it could be done profitably at home. Many of the country elevators, and many of the

threshing machines, have cleaners, but they are only used to the extent of five per cent, according to the report.

Mr. WARNER: It is not the elevators, it is the threshing machines that thresh all the grain, and very shortly a farmer will not hire a thresher who does not have a machine to clean his wheat and so keep his screening at home.

Mr. MANION: I would recommend that that be done, especially if you are going to move the Board of Grain Commissioners from the head of the lakes to Winnipeg.

Then in regard to mixing, which will be done under this act—I have forgotten the particular section for the moment—it will be done at the head of the lakes.

4 p.m. Frankly, I am in favour of mixing, for I think it is in the interests of the prairie farmer, and I think the man who has a high-grade wheat and permits it to be mixed with a low-grade car and gets the higher value deserves that advantage. Suppose you have two cars of wheat, one a good No. 2 northern and the other a poor No. 2 northern, to-day the owner of the lower grade gets the same as the owner of the higher grade. So I believe mixing is a favourable thing for the western farmer. But all that mixing will take place at the head of the lakes where the Board of Grain Commissioners should be. In other words, I have tried to demonstrate to this committee that that is the point where the western farmer can get more use out of the Board of Grain Commissioners than at any other point in western Canada. If the Board of Grain Commissioners look after the interests of the western farmers, as I think they try to do, that is where they can do so to the best advantage.

According to the report of one of the commissioners, ninety per cent of the disputes take place west of Winnipeg. Perhaps that is so; I do not dispute his honesty, but I doubt if his estimate is correct. I admit that if you take into account all the letters dealing with little disputes at the small country elevators perhaps the estimate is correct, but I submit that many a question arising at the head of the lakes is as important as five hundred disputes at the country elevators.

Then, there may be disputes at country elevators; disputes as to leaks in cars, but these are mostly dealt with at the head of the lakes, and the report of the grain commissioners for 1924 shows that for that year there were 31,382 leaking cars to be investigated, and 14,112 cars with defective seals had to be investigated. Practically all of this had to be dealt with at the head of the lakes. As to shortages on cars going into the elevators, Mr. Searle, the chief weighmaster, says, "We still have a large number." Then shortages on the outturn cargoes off boats are of the utmost importance, and Mr. Searle says that "a number of serious individual shortages were reported". And on page 13 it is stated that one case was settled for 4,170 bushels of wheat, which is a rather large amount.

Bad grading has also to be corrected at the head of the lakes. The commission must not only visit the farmers of the prairie provinces, but visit also Ottawa and the other elevators which have been placed under their supervision—the elevators of Quebec, Montreal, St. John and Halifax, all of which have been put under the supervision of the board. That is all the more reason for keeping the board where they can reach the elevators more easily than they can from Winnipeg.

I should also like to quote from an independent paper, one at all events that cannot be accused of being favourable to the head of the lakes, the Calgary Herald, and I hope my hon. friend from West Calgary (Mr. Shaw) will pay attention to this, and follow the advice of the Calgary Herald.

Mr. SHAW: I am afraid that I cannot take much stock in it.

Mr. MANION: This is a paper published in the city of my hon. friend. I did not know its politics, but apparently I do now. The Calgary Herald is firmly opposed to the removal of the commission from Fort William. Commenting upon the vote of the committee on Agriculture, the Herald says:

> Parliament should not hastily accept the recommendation of the agricultural committee concerning the transfer of the board of grain commissioners from Fort William to Winnipeg.
>
> At Fort William the commissioners are at the scene of the largest terminal elevating work in the world and they can exert a direct and beneficial influence there. They would live too much in the atmosphere of the grain exchange at Winnipeg.

Mr. CAMPBELL: Might I point out that the Calgary Herald is owned by a Montreal firm?

Mr. MANION: That does not make it favourable to Fort William as opposed to Winnipeg.

Mr. CAMPBELL: The ownership is vested in a concern in Montreal.

Mr. MANION: I do not know anything about who owns the paper. I do not see that has anything to do with the question, as long as this is not a paper owned by somebody in Fort William.

The mixing of our wheat, and the vicious mixing of it with grains of lower grades, can take place anywhere from the head of the lakes right down to the point where the grain leaves New York and other American ports. That is an important question from the standpoint of the reputation of our Canadian grain, and a question that should be considered from the standpoint of the grain handler, not of the grain seller.

It has been claimed that the Board of Grain Commissioners have not been visiting the farmers at all. That is up to the farmers. If they demand a visit of the board in connection with any dispute they may have, they have a right to have the Board of Grain Commissioners to visit them, and the board can visit them just as well from the head of the lakes as from Winnipeg.

In 1912, when the Grain Act was originally drawn up, the Board of Grain Commissioners was placed at the head of the lakes, after due consideration had been given to the question by the Department of Trade and Commerce and by the then chairman of the Board of Grain Commissioners. The board has been located there for thirteen years, and during those thirteen years no real move has ever been made to change its location. If there had been any dissatisfaction with the present location of the board, surely some move would have been made before now. My hon. friend from Marquette (Mr. Crerar) is of the opinion that the board should be moved to Winnipeg. He has been in this House as long as I have, eight years, and if there was any dissatisfaction it was open to him to move an amendment to the Canada Grain Act at any session of parliament for the purpose of having the board removed from the head of the lakes to Winnipeg. In 1919, when amendments to the Canada Grain Act were brought into this House, no amendment was proposed at that time to change the location of the commission, so that if the farmers have not been getting justice, it is a strange thing that no move has been made in all that time, to move the Board of Grain Commissioners from the head of the lakes.

Again, if this step is necessary, why did not the Royal Grain Commission, which sat on this question and held meetings throughout Canada for nearly two years, recommend that the board should be moved to Winnipeg? All they had to recommend on this point was that the board should be an itinerant or travelling board. Two or more of the commissioners can be in Winnipeg at any time. The Minister of Agriculture (Mr. Motherwell) when he was arguing against me in the committee, spoke about inspection; he dragged inspection in by the neck, as it were, for it has nothing to do with moving the board from the head of the lakes to Winnipeg. He argued as if I was trying to move the Inspection department from Winnipeg to the head of the lakes. No such proposal has ever been made. The inspection would remain where it is at the present time.

Then there is also the question of economy. To move the board, you would have to move something over one hundred people. I do not mean the employees but the families, and at present costs that expense would be a heavy one upon the government of this country.

Now I wish to give a moral reason. In 1912 when this board was placed at the head of the lakes, it was placed there after Sir George Foster, then Minister of Trade and Commerce, had consulted with the mayor and people of the city of Fort William and had asked them to erect a building for a sample market and for the Board of Grain Commissioners. The proper accommodation was discussed with Mr. Magill, the chairman of the board, and the building was put up by individual subscriptions of the people of the city to Fort William to the amount of $500,000. That was subscribed in 1912, when conditions were pretty bad. And despite the fact that they did that, no sample market was ever placed there, though the building was cut up for it. As a consequence, these individuals who subscribed have received no dividends on their money until the last two or three years, when they have been receiving dividends of only 2 or 2½ per cent. There is a spirit of British fair play in this country which should see to it that a government which had an understanding of that kind with the city of Fort William should not be able to ignore it as the Germans ignored their treaties with Belgium and other countries, regarding them as no more than scraps of paper.

Then, in regard to the revenue of the board. The board took in in 1924, according to their own report, $1,787,000, and of that, $1,095,000 was taken in at the head of the lakes; that is, two-thirds of the whole revenue in 1924 was taken in at the head of the lakes, the balance was taken in all the way from Vancouver to Montreal. Even the inspection fees, the report shows, were more at the head of the lakes than at Winnipeg, The weighing fees were $668,000. Weighing is a very important thing to the farmers of western Canada. Weighing, of course, is done at the country elevators also, but the weighing

into the terminal elevators is naturally done at the head of the lakes. In other words, practically every branch of the work of handling grain is done at that point.

I have tried to show that Fort William, at the head of the lakes, is the link, and an important link, in the chain of the handling of grain in Canada. I do not believe the farmers of the prairie provinces who have taken this attitude in favour of Winnipeg are working in their own interests. Even in the committee there was not a set decision upon it. There were two amendments which I hold in my hand. One was that the board be moved to Winnipeg. That was wiped out by the committee itself, and the following substituted therefor:

The head office of the board shall be at the city of Winnipeg. The Governor in Council may upon the recommendation of the board from time to time establish offices of the board at other places.

So there was doubt in the committee as to the advisability of the move.

I just wish to say, in closing, that the people of my city are too broad-minded to take any attitude which would be detrimental to Canada as a whole. I have never made it my duty to take parochial views in this House. Take, for example, the question of the shipment of grain west to the port of Vancouver. Of course, the more grain goes west, the greater the injury to Fort William, but I have never made any attempt in this House to interfere with that movement in any way, either on the question of railway rates or anything else. The same is true with regard to the Hudson Bay railway. Although I have grave doubts as to the wisdom of building that road, I have never spoken in oppositon to it because I did not wish to be accused of taking an attitude opposed to the west simply on behalf of my own city. I think this question should be approached in the spirit in which I have endeavoured to approach questions in this House. It should be approached from the standpoint of the prairie provinces, and from the standpoint of justice and fair play. I appeal particularly to my friends in the Progressive group to look at this question in a fair-minded way, and to leave the board at the head of the lakes at least for another year, and then if there is any dissatisfaction they can bring in an amendment next session to move the board from the head of the lakes. I appeal to them and the House generally to give fair and just consideration to this question, and to leave the board at the head of the lakes, where I think they are most useful not only to the grain trade but to Canada as a whole.

The CHAIRMAN: Let me draw the attention of the committee to the form of this amendment. The hon. member for Nipissing (Mr. Lapierre) has moved an amendment to section 6, that all the words after the words "shall be" be struck out and the following substituted therefor, "and that such place may be determined by order in council." The honourable member for Fort William and Rainy River (Mr. Manion) moves an amendment to the amendment reading as follows:

The commissioners and secretary shall reside in the city of Fort William or Port Arthur, in the province of Ontario.

I am strongly inclined to the view that the amendment of the hon. member for Fort William and Rainy River is an amendment to subsection six, and not an amendment to the amendment that has been submitted by the hon. member for Nipissing, also that the amendment moved by the hon. member for Nipissing must be dealt by the committee first before the other will be in order. In addition to that I draw the attention of the hon. member for Fort William and Rainy River to the fact that he does not say that the head office shall be in Winnipeg; what he says is "the commissioners and secretary shall reside at the city of Fort William". It may not be any part of my duties, but perhaps I might suggest to him that residence in Fort William or Port Arthur does not necessarily mean the board sitting there.

Mr. MANION: May I explain that the amendment that I moved is simply the original clause in the Grain Act, and that being so I took it to be the most suitable amendment. That is what I wish continued. If the chairman looks at the Grain Act he will find it to be the original clause. Speaking to the point raised by the Chairman, may I say that I do not know how I could have moved my amendment in any other way. I rose at the same time as my hon. friend from Nipissing but unfortunately, Mr. Chairman, he caught your eye. I was going to move my amendment first, but the procedure being as I have stated I was compelled to move it when I did.

The CHAIRMAN: If it is a fact that the effect of the amendment of the hon. member for Fort William and Rainy River is as I have read it would be to strike out the whole of clause 6, and substitute for it the words:

The commissioners shall reside in the city of Fort William or Port Arthur.

Mr. MANION: My amendment really means that the original clause in the bill be left in.

The CHAIRMAN: As no other gentleman desires to speak to the point of order I would be inclined to say that the amendment moved by the hon. member for Fort William and Rainy River is not an amendment to the amendment, but is an amendment to the original clause itself.

Mr. MEIGHEN: I do not think it makes very much difference but as I view it any amendment that is an amendment to the original clause is an amendment also to the original clause as amended. One amendment fixes the place of residence at Fort William. The other says it shall be where the Governor in Council may desire. Whichever may be held to be the amendment one of these is an amendment to the other.

The CHAIRMAN: I call the right hon. gentleman's attention to this fact: If the amendment of the hon. member for Nipissing is carried and the amendment of the hon. member for Fort William and Rainy River is also carried, one is an absolute contradiction of the other.

Mr. MEIGHEN: No, because the sub-amendment must be moved first which destroys the other amendment. However, one is as good as the other.

The CHAIRMAN: The amendment of the hon. member for Fort William and Rainy River does not say that the amendment of the hon. member for Nipissing be struck out in any particular, but that the whole of subsection 6 be struck out. I will first submit Mr. Lapierre's amendment, and then submit Mr. Manion's if there is no objection.

Mr. MEIGHEN: If the question is on the amendment of Mr. Lapierre, wherever I may want the office of the Board of Grain Commissioners put I certainly do not want that amendment. I can think of scarcely anything more vicious than that the Governor in Council should have power to move the office of the Board of Grain Commissioners just as it may desire. It will be a very nice thing for the government to have a club over both Winnipeg and Fort William or to have a price to offer each of them. I cannot understand the reasoning which says, "It is very unjust, it is very wrong, to move these offices from Fort William to Winnipeg, but I am ready to leave to the government that is ready to commit that wrong, the power to do so if it will". What kind of reasoning is

[The Chairman.]

that. It does not get much of a lodgement in my mind.

Mr. LOW: If I might make a suggestion at this stage I would propose that the mover withdraw the amendment to the amendment and that the hon. member for Nipissing substitute in amendment that in the section the words "city of Fort William" replace the words "city of Winnipeg".

Mr. MANION: That would be satisfactory to me. If that is accepted I withdraw my amendment. That is all I wish him to do.

The CHAIRMAN: It has been suggested that both amendments, with the consent of the committee, be dropped and that a new amendment be submitted, that section 6 be amended by striking out the word "Winnipeg" in the twenty-second line thereof, and substituting the word "Fort William", so that it will read Fort William or Port Arthur. Is it the pleasure of the committee that the two amendments be dropped?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Yes.

The CHAIRMAN: The question is on this amendment. Shall the amendment carry?

Mr. CRERAR: Now that the storm cloud has cleared—

Mr. IRVINE: Louder.

Mr. CRERAR: Mr. Chairman, I am afraid that sittings up to one or two o'clock in the morning, perhaps are not conducive to clear enunciation in the chamber. I shall endeavour, however, to make my hon. friend at the far end hear my voice. I repeat that after the storm cloud has cleared, by the hon. member for Nipissing adopting the proposal of the hon. member for Fort William and Rainy River we can probably get a fair discussion on the question. I approach the consideration of this matter entirely from the point of view of where the Grain Commissioners can best and most effectively discharge their duties, and in doing that I desire to place before the committee a few reasons why I think the proposal that came from the committee on Agriculture to the House on this point should be adopted. When the board were first created in 1912, the reason, if I recall aright, that was given why they should be located at the head of the lakes was that they would be removed from any possibility of temptation from the organized grain trade at Winnipeg. I do not think there was any virtue in that reason, because if you had a board composed of honest and honourable

men who were sworn to discharge their duty they could scarcely be influenced by the organized grain trade. If there was any virtue in the suggestion I submit it does not hold to-day.

Mr. MEIGHEN: This is another generation.

Mr. CRERAR: Yes, the world is making progress, and I can tell my hon. friend he will see it one of these days. Everyone will admit that the grain business of this country is one of the great businesses of the Dominion. In its growth and development it has been found, in the public interest, not only in the interests of the producers of grain, but in the national interests as well, that we should have certain legislative sanctions for the governing and control of the trade. In order that those legislative sanctions might be carried out as effectively as possible in the interests of the producers, and in the national interests as well, the Board of Grain Commissioners was created for the purpose of administering the law. The fundamental principle of the Grain Act is the regulation of the trade. The character of the grain business is such that abuses and losses to primary producers can very well creep into its administration, and consequently one of the fundamental principles of the grain legislation that we are considering in this committee to-day is that before any person engages in the handling of grain, he must be licensed and appointed according to law. There are also other regulations in the interests of producers and in the interests, I submit, of the country as a whole. The function of the Board of Grain Commissioners is a judicial function and not an administrative function. It is a judicial function to see that the provisions of the law in respect to licensing, bonding and all the other matters that relate to the conduct of that great business in the Dominion, may be lived up to.

Mr. MANION: Is it not correct that the Board of Grain Commissioners overlooks entirely the whole administration—every part of it?

Mr. CRERAR: The board exists for the purpose of seeing that the provisions of the law are carried out.

Mr. MEIGHEN: That is administration.

Mr. CRERAR: It is not administration in the sense in which it is ordinarily understood, as I shall point out to my hon. friend. The law is there and those engaged in the business have to conform to the law. If they violate the law a ready means is provided for the person aggrieved to appear before the board and the board has power to redress that grievance. In that sense it is a judicial body.

Mr. MANION: But the Board of Grain Commissioners sees to the appointment even of the inspectors, the weighmasters and the stickers of grain, as the expression is.

Mr. CRERAR: No, my hon. friend is wrong. The stickers of grain or samplers are not appointed by the board.

Mr. MANION: Not directly it is true, but under their supervision.

Mr. CRERAR: The board lay down certain rules and regulations governing a variety of things, but once the regulations are laid down by the law they are a part of the law until they are changed, and the function of the board is a judicial function essentially. It is not an administrative function, and there is where my hon. friend from Fort William, if I may say so to the committee, fell down entirely in the argument he advanced, because he argued that it was vital and necessary that the Board of Grain Commissioners should be located in Fort William. And why? Because the screenings are cleaned out of the grain at Fort William.

Mr. MANION: That is one reason.

Mr. CRERAR: Therefore the argument is that you should have the Board of Grain Commissioners located at Fort William because the screenings are cleaned out of the grain at that point. What has the Board of Grain Commissioners to do with cleaning the screenings out of the grain? They do not go up in the elevators, watch the cleaners and see that the operators take out a certain percentage of screenings. They have no more to do with the separation of screenings from grain than my hon. friend from Fort William or any other member of the House has.

Mr. MANION: They have to see it is done fairly and within the law.

Mr. CRERAR: They have to perform their duties, but I shall endeavour to point out to my hon. friend in a moment that ninety per cent of the work of the Board of Grain Commissioners in the discharge of their duties under the law is concerned with Winnipeg and points west of Winnipeg. Take the matter of bonding for instance and the licensing of every person engaged in the business, and take the complaints of the individual farmers who may be aggrieved on account of some treatment they have received at the hands of an elevator company—can that be handled better at Fort William than at Winnipeg?

Mr. MANION: Just as well.

Mr. CRERAR: No, because the Board of Grain Commissioners themselves, in the discharge of their duties, have found it necessary to violate the law as it has existed in the past, and they violated the law by having one of their members resident in Winnipeg all the time.

Mr. MANION: For many years they did not find it necessary to violate the law. It is just recently they found it necessary.

Mr. CRERAR: No, that has existed for a considerable period. They found it was in the public interest that one of their members at least should reside in Winnipeg.

Mr. MANION: Nobody is questioning that, and no one objects to it.

Mr. LOW: It will be corrected by the amendment.

Mr. BRISTOL: In the section as it has been drawn it is left to the Board of Grain Commissioners to reside in Winnipeg or Saskatoon or anywhere else they chose, and I should think that would cover just what you want, to have them reside where it would be most useful to the farmers to have them.

Mr. CRERAR: The old clause which I understand my hon. friend has put in by way of an amendment—

Mr. BOYS: No, it was withdrawn.

The CHAIRMAN: The only amendment is that the word "Winnipeg" be struck out in the second line of paragraph three and the words "Fort William or Port Arthur" substituted.

Mr. CRERAR: It might be possible under that clause to legalize what has been an illegal practice in the past, as to the residence of one of the commissioners. That may be done, I admit, but I still maintain that the work of the commission is at Winnipeg and west of that. The hon. member for Fort William and Rainy River pointed to the fact that in certain respects the elevators in Montreal, Halifax and bay ports are brought under the Board of Grain Commissioners. But so are the elevators at Prince Rupert and Vancouver.

Mr. MANION: The Prince Rupert elevator will not handle much grain.

Mr. CRERAR: That may be, but it is being brought under the Board of Grain Commissioners. Then we have the elevators at Edmonton and Calgary, and I submit to the committee that if this question is decided on the basis of where the best service to the trade and the producer can be rendered by the Board of Grain Commissioners, their residence should be in Winnipeg. If the Board of Grain Commissioners were an administrative body, if it was their function to come in and see the grain cleaned, and to discharge all those obligations or responsibilities that are now the function of the chief weighmaster and the chief grain inspector, there might be some force to my hon. friend's contention, but with the board situated as it is, with the responsibilities it has under the law, I submit those responsibilities can be better discharged in Winnipeg than they can in Fort William.

Mr. MANION: If the farmers were really suffering under this system for the past thirteen years, how is it no proposition was ever put up by anybody in this House while I have been here, or while the hon. member for Marquette has been here, to make a change in that regard? Apparently the service has been satisfactory. Why was no move made?

Mr. CRERAR: I think it was suggested although no actual motion to that effect was made. But as a matter of fact, it has been a matter of complaint on the part of the farmers and on the part of the grain trade generally. For instance, if a farmer is aggrieved, he can go into the city of Winnipeg, if the board is there, explain all the circumstances of his difficulty to the board and get a ruling upon it.

Mr. MANION: That is true. Of course, as the board is a travelling board it has to travel around the same as the Board of Railway Commissioners.

Mr. CRERAR: The Board of Grain Commissioners do not travel around in the sense that the Board of Railway Commissioners do.

Mr. SUTHERLAND: About a year ago, I think it was at the last session of parliament, a Royal Grain Inquiry Commission was appointed by this House to inquire into the grain trade and report to the minister. I hold in my hand the report of this commission. They were given wide powers to report on anything connected with the grain trade which they deemed to be of sufficient importance. A bill has been drafted, I presume, in accordance with their report. That the commission went very fully into the matter is borne out by the fact that the cost of the commission was in the neighbourhood of $180,000. The bill that was drafted and placed before the committee on Agriculture made no reference whatever to changing the

location of the board from Fort William to Winnipeg. This matter developed in the agricultural committee. A great deal of valuable time was taken up in that committee discussing the matter to such an extent that many members who had to be on other committees could not attend, and consequently the time arrived when it may be that many who were opposed to any change were not present. I know I was not present myself when this happened; but I am quite satisfied that if there was occasion for making a change in the act in this regard, the commission would have so reported. Otherwise they did not do their duty in carrying out their instructions from parliament in connection with the work which was delegated to them.

Mr. WARNER: I was the first that I know of to suggest that the grain board be located where they could best carry out their business. I did not name any place in the beginning, but I became convinced with the rest of the committee later on that Winnipeg was the place where they could best carry out the work they are supposed to do.

Mr. DAVIES: I just want to refer to the few remarks made by the hon. member for South Oxford (Mr. Sutherland), and I hope he will bear them in mind and carry out the same conclusion when we come to some of the other clauses of the bill, especially clause 141.

Amendment agreed to: Yeas, 56, Nays, 40.

Section as amended agreed to.

Section 8 agreed to.

On section 9—Other officers, et cetera, may be appointed—compensation.

Mr. GARLAND (Bow River): I desire to direct the attention of the hon. members to subclause (2) of this clause which reads:

> Notwithstanding anything in any other act contained, inspectors, inspecting officers, weighmasters and their assistants shall be paid such compensation as is determined by the Governor in Council upon the recommendation of the board.

I object to the change that has been made. This is in addition to the original draft and its intent is quite clear. It is for the purpose of placing again under patronage the salaries of the specific officers mentioned in the clause. I was interested in this because it had come to my attention that many complaints were being levelled at the Civil Service Commission because of difficulties that had arisen with regard to salaries. It had been charged that they could not get the increases necessary in the business; that they were losing money because they were not able to pay these men enough, and so on. I took this matter up with the Civil Service Commission and I find that no increase of salary has ever been refused by the commission. If that be the case, there is no justification or necessity for this clause. Not only has no increase ever been refused by the commission, but on every occasion that the Board of Grain Commissioners and the Civil Service Commission have got together, every recommendation of the board has been carried out to the complete satisfaction of the board. In order to make this perfectly clear to the committee, I took the trouble the other day of communicating with the Civil Service Commission, and I have in my hand a letter from the Secretary of the Civil Service Commission signed by Mr. William Foran. The questions that I put to the commission and the replies are as follows:

> (1) "Have any requests from the Board of Grain Commissioners for increases of salary for inspectors or weighmasters, or assistant weighmasters, been refused in the past?"
>
> No; a considerable number of changes in rates of pay have been made in respect to these classes of positions in the past five years and rates were approved which were satisfactory to the Board of Grain Commissioners.
>
> (2) "If so, to what extent has this occurred and how many officials have been affected?"
>
> Not applicable; see answer to question 1.
>
> (3) "Also, if this is the case, what reasons have been advanced for such refusal?"
>
> Not applicable; see answer to question 1.
>
> (4) "To what extent have increases been granted in the past?"
>
> Attached, and marked "Schedule A" is a statement prepared from the commission's records, showing the current rates of pay at various dates for the three classes of positions:
>
> Deputy grain inspector, grain weighman, and assistant grain weighman, the classes mentioned in your letter. It will be noted that the existing rates which were approved in the year 1922 for the inspectors, and in 1923 for the weighman, are more than double 1914-15 rates of pay and are an advance of, from 40 to 60 per cent, over pre-classification rates of 1919. For other classes of positions on the weighing and inspecting staff the increases are in approximately the same proportion as the classes shown.
>
> I am instructed to add that the secretary of the Civil Service Commission went to Fort William and Winnipeg to confer with the Board of Grain Commissioners in September, 1920, and as a result of such conference with the Board of Grain Commissioners and its officers, arrangements were made to facilitate obtaining employees during the rush season. The salary rates proposed by the Board of Grain Commissioners were discussed and subsequently, in the following month, October, 1920, salary rates were approved by order in council which had been mutually agreed upon between the Board of Grain Commissioners and the Civil Service Commission.
>
> In October, 1922, members of the Board of Grain Commissioners, when in Ottawa, brought forward a recommendation for further increased salary rates for the inspection service. The department submitted to the commission a schedule of the salary rates requested by

the Board of Grain Commissioners. Attached, and marked "Schedule B" is a statement of the salaries requested by the Board of Grain Commissioners and the rates finally approved. In April, 1923, the Board of Grain Commissioners requested increases for the weighing staff to conform with the changes for the inspection staff.

Attached, and marked "Schedule C" is a statement of salaries requested and salary rates approved. The evidence submitted by the Board of Grain Commissioners as to the need of the higher rates proposed was considered satisfactory by this commission and the rates were approved on the recommendation of the Civil Service Commission as shown in Schedules B and C by orders-in-council P.C. 121/172 dated 31st January, 1923, and P.C. 275/1028 dated June 5, 1923.

Yours truly,

W. FORAN,
Secretary.

I have here the various schedules showing the increases granted; and in order to impress on the committee the fact that the increases have been granted as requested by the Board of Grain Commissioners I will quote the following figures:

"Schedule A"

Statement of current rates of pay of classes shown, comparing previous rates of pay with those now authorized

Class	Current rate 1914-1915 in some case not on C.S.C. records	Current rate in 1919 before classification under C.S. Act	Original classification 1919	Rate App'd. Sept. 1st, 1920	Present rate authorized
Deputy grain inspector	$960-1,140	$1,320-1,800 plus 10% War Bonus	$1,380-2,100	$1,620-2,220	$1,800-2,520
Grain weighman.. ..	$720- 900	$1,140-1,260	$ 960-1,500	$1,560-1,920	$1,680-2,220
Assistant grain weighman..		$1,080	$ 840- 960	$1,440	$1,500-1,560

In every other case the request for increases was granted. This is true of such officials as chief grain inspector, grain inspector grade 2, chief deputy grain inspector, deputy grain inspector, general grain sampler foreman, grain sampler foreman, assistant grain sampler foreman and grain sampler. I submit that the result of this clause would be the increasing of the salaries of friends who had an influence upon the administration. It is dangerous to leave the clause in. I do not suggest that anything of the kind would be done, but the possibility is there. No responsible body other than the department would have any supervision over the salaries to be granted, and the principle I think is wrong. I therefore move that subsection (2) of section 9 be struck out.

Mr. STEWART (Argenteuil): Do I understand that this subsection was added to the bill by the committee?

Mr. GARLAND (Bow River): I was present in the committee on the occasion of this provision being discussed, but as I was not a member of the committee I did not care to interject any remarks into the proceedings. I would point out however that the information I have just given was not brought out before the committee. The committee was not aware of the fact that there had never been any refusal to comply with a request for increases in salaries. I do not think that this subsection can be justified.

Mr. LOW: This clause was suggested by the committee on Agriculture, to which the bill was referred, and the government is prepared to accept the recommendation.

[Mr. E. J. Garland.]

Mr. MEIGHEN: If there is a motion to strike out this subsection I am decidedly in its favour. I do not know what in the world can be said for this subsection, which declares that inspectors and so on shall be paid such compensation as is determined by the Governor in Council upon the recommendation of the board. If there is to be a different system of determining the right compensation for officials of this kind some real reason should be shown. I do not care where you go, in any department or in any service, you will find that everyone thinks that his particular service is in a class by itself with duties that are different from those of any other. Well, it is true that each one does differ from the other. The duty of the civil service is not to copy a lot of names in a book or to add figures; all have special tasks for which they must be fitted. These officials are the same as any others in that respect. One hon. member says that the money is to be paid by the farmers. I do not see what difference that makes. What we are deciding is the question as to how best we may determine the value of the service. Why should there be a different rule in this case because money is to be collected from the farmers to balance the money that goes out from the treasury? It does not affect the case at all. We ought to have one sensible principle of determining the value of services, and what is sensible and reasonable for other classes of work ought to be sensible and reasonable in relation to this. There is no reason why the Civil Service Commission should not be in a position to determine the value of this work as well as the value of a forester, or a mining engineer,

or a surveyor, or of any other official in any branch of the service throughout the country. It seems strange to me that one should have to keep wide awake for fear of having something introduced every half hour or so for the purpose of lopping off this branch or the other branch of the Civil Service Act. Of course, this does not affect appointments. If it did it would be worse still. It seems to me that every argument in defence of the Civil Service Act, which makes for giving to that commission the powers which it was intended it should exercise, applies here as forcibly as anywhere else; and the practice, as shown by the words of the hon. member (Mr. Garland), certainly fails to indicate any cause for change. There has been no complaint from either the Civil Service Commission or the Board of Grain Commissioners, and we certainly should not destroy a system that is working satisfactorily. I am opposed to the subsection.

Mr. MILLAR: I do not intend to argue either for or against this clause but I want to refer to the information that was brought out before the committee. The hon. member for Bow River says that certain information was not submitted to the committee, but I think he is mistaken, at least in part. The information that no request for an increase had been refused by the Civil Service Commission was brought to the attention of the committee and was admitted; but it was also pointed out, in answer to a question put to the chief inspector, that in many cases the increase had been so small as to be utterly useless and ineffective.

Mr. GARLAND (Bow River): Was it the fault of the Civil Service Commission or of the Board of Grain Commissioners that had power to recommend the increases?

Mr. MILLAR: It was not clear whether they made it on the recommendation of the board or not. It was also stated by a member of the committee in the presence of the chief inspector, and not contradicted by him, that in some cases he had been so anxious to retain the services of efficient servants that he had, from his own pocket, added to their salaries. That is a state of affairs that the committee did not wish to continue. Those were some of the reasons why this change was made. The impression left on my mind was that there had been perhaps friction between the Civil Service Commission and the Board of Grain Commissioners in the past; certainly they did not seem to be pulling very well together. There were difficulties in the way, and it seemed necessary, if the work was to be well done, to make the board the proper body to choose the servants they required. It was also brought up in that connection that in some cases those doing clerical work had made errors in the grades in copying out lists of cars of grain that had been inspected, and settlement had been made on the basis of these errors.

Mr. SHAW: Do mistakes of this kind not occur under the patronage system?

Mr. MILLAR: I am quite convinced that if the salaries were fixed by the Board of Grain Commissioners, and even if the appointments were made on the recommendation of that board, servants would not be appointed who would make such errors. This change does not necessarily mean a return to patronage. The Board of Grain Commissioners have my confidence to the extent that I feel that anyone they chose to fill an office, if he were found to be unworthy and inefficient, would very soon be removed if in the power of the board to remove him.

Mr. STEWART (Humboldt): Mr. Chairman, there are reasons why the committee on Agriculture saw fit to add this subsection. I am just as jealous of the act governing our civil service as any other member in this House, and I would not willingly do anything that would destroy its effect, but I think that those who see in this subsection any danger in that respect are looking too far afield. It will be noted that only two classes of officers are exempted from the full operation of the regulations of the Civil Service Commission, and those are men who must have considerable technical knowledge and skill. A vast number of complaints come forward annually from the farmers who ship their grain and have it inspected at Winnipeg that that inspection is not fair and just. Of course, many of these complaints are not well founded; on the other hand, a great number are, and the chief inspector who has been in charge of the work for many years admits that in many cases the charges are only too well founded in that the inspection was faulty. When he was pressed as to the reason why his inspectors are not more perfect in their work, he informed us that under the present system it is impossible for him to keep the best trained and most skilled men in that work. He also told us that the salary fixed by the Civil Service Commission apparently does not attract the best class of men for the work, and from those he has to choose from he is unable to find any as fully qualified and as highly trained as they should be for the proper discharge of their duties. It is there-

5 p.m.

fore with the intention of attracting men who are skilful in the grading of grain and the handling of scales, where an error means much to the producer, and sometimes it is almost impossible to secure an adjustment, that this subsection is proposed.

Mr. MEIGHEN: How does the hon. member account for the fact that no applications from the board for increases have been refused?

Mr. STEWART (Humboldt): I have not any knowledge as to what applications have been made or what difficulties have been encountered by the board in this respect. It may be that the Civil Service Commission have attempted to make adjustments for the board, but the fact remains that in the adjustments that have been made the salaries have not been raised to the point where it is possible to retain the services of the best men.

Mr. GARLAND (Bow River): In this letter which is signed by Mr. Foran, it is stated that the salaries were approved by order in council which had been mutually agreed upon between the Board of Grain Commissioners and the Civil Service Commission.

Mr. STEWART (Humboldt): I do not know the facts of the situation. If the board saw fit to approve of the salaries, those salaries are not high enough, and we are of opinion that the board should have a free hand. After all, the farmers are the parties really concerned, for they have to pay for these services, and their claim has been for years that they are paying on a basis that should give them a thorough inspection, but they have not been getting value for their money. They are perfectly willing to be charged a little more if it is absolutely necessary, although they do not admit it is necessary, because they say they have been paying more than the worth of services, but they are willing to pay what the services are worth. Our grain inspection department has, like some other departments, been subject to competition by the grain trade. When a man has proved himself capable of giving to the farmers good service in the way of inspection, along come people interested in the trade who have a place for that man, and they offer him remuneration beyond anything that the board can pay. I say the board should be free to retain the services of such men. If they are worth a higher salary to private concerns than the commission is paying them, they are certainly worth that higher salary to the farmers in the inspection and weighing of grain, and they should receive fully as much as they can get elsewhere.

Mr. MEIGHEN: Would the hon. member apply that to the other services of the country?

Mr. STEWART (Humboldt): If private concerns are willing to pay beyond what the services are being paid for by the civil service they of course would get the man, not otherwise.

Mr. CHAPLIN: Is not technical skill and knowledge required in other departments besides the Board of Grain Commissioners?

Mr. STEWART (Humboldt): I am simply pointing out what is required. The evidence of the committee and the information we secured from our inquiries through the board led us to believe that men who have acquired a very high degree of technical knowledge are invariably taken away by private concerns, and the board lose their services because they cannot offer them the remuneration they are able to secure outside.

Mr. CHAPLIN: The same thing applies elsewhere?

Mr. STEWART (Humboldt): I know, and if the circumstances are such as these they should be remedied.

Mr. CHAPLIN: Would you take them all out of the control of the Civil Service Commission?

Mr. STEWART (Humboldt): This is not doing so, for the hon. gentleman will see that the appointment is still through the Civil Service Commission, and therefore patronage cannot apply to any extent.

Mr. MEIGHEN: Is not patronage as much in the payment of the salary as in the appointment? Does not the hon. member see that the opportunity offered for favouritism and reward amounts to the very same thing?

Mr. STEWART (Humboldt): Does the right hon. gentleman suggest that men who find their way into the service through the proper channels will make friends for themselves and will get greater rewards?

Mr. MEIGHEN: That has been the practice and the evil.

Mr. STEWART (Humboldt): I think if the men are appointed after proper examination two-thirds of the danger is eliminated, and if afterwards they show themselves worthy of greater reward they should receive it. If these men are not giving service

thousands of our farmers back in the country are going to bring complaints to show that they are not efficient, and it will be very difficult for the men to justify their salaries if they are not qualified to fill the positions.

Mr. CAMPBELL: I consider that this subsection would create an anomaly, because we would have these men appointed by one body and their salaries fixed by another body. I maintain that the body that sets the salary automatically controls the appointment; I do not think we can get away from that. The chief inspector has been quoted in this connection. He objected in the committee to this very subsection, and his objection was borne out by the chairman of the Board of Grain Commissioners. Both these gentlemen pointed out that this would create jealousies or at all events trouble within the staff, if one section of the staff was under the control of the Civil Service Commission and had their salaries fixed by statute, and another section of the staff had their salaries fixed by the chief inspector or the Board of Grain Commissioners. I think that ought to be taken into consideration.

Mr. MILLAR: Were not those objections afterwards withdrawn by these officials?

Mr. CAMPBELL: They distinctly objected to this subsection.

Mr. SHAW: I am not only amazed at the advocacy of such views by representatives from western Canada, but likewise at the frailty of the reasons that have been advanced in support of this return to patronage. Two reasons were given why a change in our law should be made so far as the classification of employees in the grain business is concerned. The first was that they are skilled and technical officers, and cannot properly be chosen by the Civil Service Commission. I venture to dispute that basis for the argument that has been advanced.

Mr. STEWART (Humboldt): They have to be chosen by the Civil Service Commission under this clause.

Mr. SHAW: I quite realize that under the clause they must be appointed in the manner provided, but the hon. gentleman went on to argue that they were inefficient, and consequently I would think his argument should have led him to the conclusion that they should be removed from under the Civil Service Act.

Mr. STEWART (Humboldt): I did not argue that they were all inefficient. I argued that provision should be made to retain the efficient ones.

Mr. SHAW: The suggestion, as I understand it, from some hon. members, perhaps not entirely from the hon. member for Humboldt, was that the skilled and technical officers required for this business could more efficiently be chosen by the Board of Grain Commissioners. From that view I entirely dissent. My understanding of the situation is that under the law now these technical and trained officials are appointed by the Civil Service Commission, but in no case are the recommendations of the Board of Grain Commissioners wholly ignored, the commissioners have the fullest opportunity of presenting their views as to the proper and most efficient officials to be appointed. Besides, I would like to say, I do not believe that the grain officials appointed under the patronage system prior to 1918 were a particle more efficient than the officials appointed by the grain commission since that year.

It is suggested that another reason for this change rests in the fact that salaries are not advanced rapidly enough by the Civil Service Commission. The argument in that connection has been wholly demolished by the hon. member for Bow River (Mr. Garland), for he pointed out that the salaries are raised on the recommendation of the Board of Grain Commissioners, and in no case have the Civil Service Commission refused to accept such recommendation. If the Board of Grain Commissioners now do not recommend adequate salaries to the Civil Service Commission, what reason has this committee to think that freed from the restrictions of the Civil Service Act, the Board of Grain Commissioners would pay adequate salaries? It seems to me the argument is wholly unsound, and I am surprised that hon. gentlemen should lend themselves to the argument at all.

Mr. STEWART (Humboldt): Will the hon. member not admit that if this responsibility is placed upon the Board of Grain Commissioners we can expect that they will at least make some attempt to retain the most efficient by advancing their salaries, instead of taking the roundabout course of acting through the Civil Service Commission?

Mr. SHAW: There is nothing roundabout in the course they have to pursue. They are at perfect liberty to recommend to the Civil Service Commission salary increases for any individual or for a whole classification, and the evidence shows conclusively that their recommendations in this respect have never been ignored. Why should we want to change

the situation? There is nothing to be gained by it, and there is distinct danger in the recommendation made by the committee.

Mr. CHAPLIN: One of the reasons advanced by the hon. member for Qu'Appelle (Mr. Millar) for this change was that there was friction between the board and the Civil Service Commission. It seems to me that any department that wanted to do away with the act or to go behind it, or to escape the control of the Civil Service Commission, might very easily stir up a little friction. It seems to me this is simply putting a premium upon friction, and if we are going to abandon the Civil Service Commission first for one commission and then for another, we had better abandon it altogether and wipe it off the slate entirely.

Mr. MILLAR: If the hon. gentleman wished to be entirely fair, I think he would remember that I said perhaps I should not call it friction, but that they did not appear to be working together as fully as they should.

Mr. CHAPLIN: I am not going to quarrel over the word. But if they are not pulling together, there must certainly be friction, and the hon. member did use the word himself.

Mr. DAVIES: I do not see how this section would be workable at all. This section was thoroughly discussed in the Agriculture committee, and I agree with my hon. friend from Mackenzie (Mr. Campbell) that the officers of the Board of Grain Commissioners agreed before the committee that this would not be workable. What would be the position of the other employees under this section? It proposes to take certain offices from under the act and allow the Board of Grain Commissioners to pay them any salaries they see fit, and once they do that, immediately the rest of the employees of the board are going to ask for exactly the same privileges. I think the whole thing is vicious. It is just opening the way to patronage in an underhand manner. I came in here promising my people that I would oppose patronage in every form, and I am going to do it by voting against this section.

Mr. BANCROFT: I am going to vote against this section, and in favour of the amendment moved by the hon. member for Bow River. During the election campaign I took a stand against patronage, a stand that was taken, I think, generally by members in this corner of the House, and I for one have not changed my views since that time. Every argument that has been advanced so far in favour of this clause has been advanced by every other department that wanted to get rid of the Civil Service Commission. There was a move not long ago to have the Penitentiaries branch taken out from under the Civil Service Commission, and identically the same arguments were advanced on that occasion as have been put forward here this afternoon. I cannot see how we can consistently ask that this branch of the civil service be removed from under the Civil Service Commission unless you are going to allow any branch that puts up this argument to be taken out of the jurisdiction of the commission also.

Mr. GOULD: Possibly it may be suggested that I am inclined to limit the powers of the Civil Service Commission, but it is not so. I think I stand as loyally for the principle of maintaining the Civil Service Commission as any individual in this House, and yet as I see this particular matter, the trade is supplying the money to pay these officers. It seems to me, therefore, that they should not come wholly under the Civil Service Commission.

Mr. BANCROFT: It has been suggested in this House this session that the penitentiaries should be made self-supporting by providing work for the inmates at various trades. If that were done, would the hon. member recommend taking the penitentiaries away from the Civil Service Commission and restoring patronage in that branch?

Mr. GOULD: We will face these problems when we meet them. There is no use anticipating such matters, let us deal with them when they arise. In the meantime there is this problem before us to consider.

Mr. MEIGHEN: There are numerous services now that are self-supporting besides this. Does the hon. member want to extend it to the Post Office department for example?

Mr. GOULD: If my right hon. friend will permit me I will continue with my statement.

Mr. WARD: What problem is the hon. member speaking about?

Mr. GOULD: The problem is this: In the past we have had a number of gentlemen in the service who were recognized throughout Canada for their ability. As the grain trade developed and prospered it has induced these men to leave the service and has been indifferent to the question of salary—the fact that a hundred or even a thousand dollars more was involved seemed to be immaterial. In my opinion the Civil Service Commission has not kept abreast of the times or we would not have lost the very efficient officers to the

extent that we have lost them in the past. In order to attract these efficient officers the trade willingly offered them much larger salaries than they were receiving in the government service. As an example of this let me state that a former member of the Board of Grain Commissioners is now receiving $1,500 per year more from a private company than he received when he was on the board. In conclusion may I say that in speaking as I have done I have not retraced my steps in the matter of government appointments. I still hold the views that I have always held on the question of patronage.

Mr. LEWIS: I wish to say that I am opposed to this section entirely; it is simply making a wagon track through the Civil Service Act. Every argument that was advanced here could be applied with equal force to many other cases in the Civil Service. There are hundreds of men in the Civil Service to-day, patriotic and self-sacrificing enough to give their services to the country at the present time, who would receive probably twice the remuneration they now get if they were working for a private corporation. To argue that the illustration only applies to this particular instance is an absurdity to say the least. We have the evidence that not in one instance have the Board of Grain Commissioners applied in vain to the Civil Service Commission where an increase in salary was considered necessary; and we have not had one instance brought before us this afternoon showing that any one man has relinquished his position because his salary was inadequate. I can readily understand the position we are going to get into if what is proposed here is carried out. A minister will say he is responsible and ought to have the right to make appointments. I was at the sittings of the special committee that inquired into the civil service and I never heard of a single case where a department did not set up that claim. Such being the case we, the members in this corner of the House ought to come out and show where we stand on this question. There seems to be no manner of doubt that any recommendations on the part of the Board of Grain Commissioners to the Civil Service Commission intended to raise the standard of efficiency have been accepted by that body. If the standard of efficiency is not high enough, who is to blame? The standard should be raised in order to see if we cannot get more efficient men. If we do get competent men, I am quite sure the salary paid will be commensurate with their ability.

Mr. MILLAR: Did not my hon. friend, at the time he speaks of hear a complaint from the Board of Grain Commissioners on the score of inefficiency?

Mr. LEWIS: As far as the inefficiency is concerned you can appoint men who have passed examinations successfully and yet may prove inefficient in practical work. I think that is quite true of every department of the government. However, if the Board of Grain Commissioners had inefficient men in their employ it was always open to them to appeal to the Civil Service Commission and they could have got rid of them in some way

Mr. COOTE: The complaint I have heard to-day is largely that the Inspection department has been losing its best men because the grain trade offers them better salaries. I think there is only one real remedy in this case and that is for the farmers to get together and, through co-operation, grade their own grain, hire their own inspectors, and pay them what salaries they like. Then we will not have to be bothered with the Governor in Council, the Civil Service Commission, or a Canada Grain Act. I wish the farmers of western Canada could have been here this afternoon and heard all the trouble we have in connection with the employment of inspectors and the salaries they are paid. I do not think we will ever get away from that trouble—regardless of whether the rates of pay are set by the Governor in Council or by the Civil Service Commission—until we organize a co-operative organization where the farmers can employ their own inspectors. As far as I am concerned, after listening to all the arguments here this afternoon in regard to this particular section, I intend to vote for the amendment offered by the hon. member for Bow River.

Mr. MOTHERWELL: I think most of us will admit that this branch of the government service is quite different from the others, in that it is entirely commercial.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: The less some hon. members know about the subject the more they seem to laugh and cackle. Mr. Chairman, this is purely a commercial service, in that respect resembling the National Railway Board. The grain trade is administered by a board and the services rendered are paid for by the farmers through weighing, inspection, and grading tariff at so much per car. The greatest objection that I have to these appointments being made by the Civil Service Commission here in the Hunter block

is this. You first have to convince them that an appointment must be made. It takes a month to do that, and it relates to a matter about which the members of the commission themselves know nothing. As to getting rid of an inefficient inspector he has the right to enter an appeal and all sorts of delay is involved. In the meantime an incompetent officer may be doing work that will involve hundreds and thousands of dollars' loss to the farmers. And yet we are to be told the situation is one that cannot be rectified.

Mr. MEIGHEN: If the government wanted to dismiss an official, under what law has that official the right to appeal?

Mr. MOTHERWELL: Under the Civil Service Act he is allowed the right to appeal.

Mr. MEIGHEN: It is time for the minister to "cackle" because he does not know anything about it.

Mr. MOTHERWELL: I do know about it. However, that is neither here nor there. It takes a long while to bring about reclassification and to increase a salary. That is the point I want to get at.

Mr. MEIGHEN: That is another thing.

Mr. MOTHERWELL: If we wished to deal with an employee and give him a raise, we will say, it ought to be possible to do it in a very short time. As it is now in dealing with the Civil Service Commission it is a matter of weeks. Evidence taken by the government which preceded the present administration showed that it took ninety days on an average to make appointments in the civil service, especially in the higher grades, and my own experience bears out that statement. It is the same with regard to classification and increases of salary. Sometimes it takes a year and even longer to make a reclassification.

Mr. SUTHERLAND: It did not take that long to have Duncan Marshall appointed without reference to the Civil Service Commission.

Mr. MOTHERWELL: No.

Mr. MEIGHEN: What appeal did the government give to Dr. Torrance when they dismissed him?

Mr. MOTHERWELL: He resigned and had no right of appeal. I find there has been a good deal of complaint during the last year or two regarding incompetent inspectors and small salaries. In some cases the matter would drag along for weeks and months, to such an extent that before a proper scale of wages could be arranged for a man, he had gone elsewhere. Thus the efficiency of the staff was impaired. This was the result of poor salaries and delay in adjusting salaries or providing increases. That is no dream; I know it to be the case. We should make no more complaints about inefficient grading if we are going to hand over the appointment of inspectors and the raising of salaries to an extraneous body thousands of miles away from the work. It is absurd, undemocratic and ridiculous. You might as well go further and provide to have the threshermen for this grain appointed by the Civil Service Commission, or deal with the harvest hands in a similar manner and increase their salaries from the Hunter Block, the seat of operations, as to adopt the suggestion which is now proposed. If you carry the proposition to a logical conclusion, that is where you will land. I am not criticizing adversely the Civil Service Commission. It has to obey the act. But that act is one of those fool measures passed by the Union government which should never have been placed on the statutes.

Mr. LOW: I would like to make it clear to the House that this clause is a matter of indifference to the department. The Agriculture committee have added to the bill, and we were prepared to accept their recommendations. If this committee decide to reject it we have no objection.

Mr. CRERAR: I find myself at variance with some of my hon. friends behind me, particularly the hon. member for West Calgary (Mr. Shaw), in respect to the position they have taken. I think it requires a very great stretch of the imagination indeed to argue successfully that the passing of this clause is the introduction of patronage into the service. In the first place, this clause does not govern the appointment. Every appointment to this inspection staff enters through the gateway of the Civil Service Commission, as it has done in past years. There is not the slightest shadow of a claim that patronage enters into the appointment in any sense whatever. If the argument that this clause is the restoration of patronage is sound, it means nothing more than this: that some of these inspectors, after they get into the service, may be able to influence either the Board of Grain Commissioners or the Governor in Council to grant them special favours in salaries. The Governor in Council or the Board of Grain Commissioners have had nothing whatever to do with their appointment or with their entering the service, but if the argument holds true, as far as the Board of Grain Commissioners who make the recommendation are concerned, it is just

as reasonable to argue that it would apply with equal force to the Civil Service Commission. In the working out of this thing I think it is necessary to apply some common sense. What is the actual position to-day? I submit that a grain inspector is not a technical officer in the ordinary sense in which that term is understood. A grain inspector does not become a grain inspector because he has certain university qualifications, or, because he has certain qualifications or educational standards in other respects. Some of the most efficient grain inspectors in the past, I venture to say, have been men with very little education, because the work they are called upon to do is not a work the efficiency of which can be measured by educational standards. As a matter of fact the majority of these inspectors, in actual practice, come up from samplers. The samplers are engaged to take the samples of grain out of the cars standing on the railway tracks, and after they have worked for years at that employment they acquire a knowledge themselves, by further studies of the different types of grain, so that in due time they can pass the practical tests that are necessary for inspecting grain.

Mr. SHAW: That is the practical test.

Mr. CRERAR: As far as that is concerned I am not quarrelling with that. I am not suggesting to the committee that that method of appointment be changed. But how does it work out in actual practice? At times, as everyone knows, the pressure of grain coming down increases in volume very greatly. There have been times when the inspectors have been working ten, twelve and fourteen hours a day, and the chief grain inspector has been unable to give them the additional compensation they were entitled to for the extra work they were performing. My hon. friend from West York laughs, but I may tell him I am credibly informed that a year ago last fall the chief grain inspector who has rendered the highest kind of service to the grain business of the country had his resignation in the hands of the Minister of Trade and Commerce because of the shackles that were put upon him in maintaining his staff.

Mr. ROBB: Hear, hear.

Mr. CRERAR: I think the Acting Minister of Finance (Mr. Robb) will bear me out in that statement. What is sought here? It is not the introduction of patronage. It is simply that the Board of Grain Commissioners, who are on the spot and cognizant of conditions, may have authority to recommend, by telegram if necessary or by letter, to the Governor in Council that so-and-so's salary be increased. What my hon. friend from Humboldt said is perfectly true. The most efficient men in the grain inspection staff have left the service in past years to go with private firms. I ask my hon. friends who see the bogey of patronage in this reasonable proposal to maintain the efficiency of service, is it to the interests of the farmers of western Canada that they should have an efficient staff? It means everything to them. They are more interested in it than anyone else. It is essential that these men be paid proper remuneration. As far as the general scale of salaries for inspectors is concerned, I submit that cannot be judged by the scale of salaries paid in any other department of the service. I make the assertion to this committee that the general scale of salaries of the inspection staff should be increased fifty per cent. The grain trade and the grain producers of Canada will benefit by that, because they would have a more efficient staff doing this very important work. Grading grain is an important work. If an inspector is an inefficient man and lowers a grade, if in his judgment a car of wheat should go into a No. 3 northern instead of No. 2 northern, the grain grower loses eight or ten cents a bushel by virtue of that act. It is of the highest importance, not only that you have the highest efficiency, but that you have these employees well paid and the Civil Service Commission are not as good as the Board of Grain Commissioners to recommend in that respect. As regards the letter which the hon. member for Bow River (Mr. Garland) read to the committee, we had the chairman of the Civil Service Commission and one or two of his officials before the Agriculture committee for several hours discussing this question, and the decision of the committee to add this subclause (2) to clause 9 was taken after all that conversation—shall I say?—had been had with the Civil Service Commission officials.

Mr. GARLAND (Bow River): Some days after.

Mr. WARNER: And the Civil Service Commission agreed to it.

Mr. MEIGHEN: It is wonderful to know all those who are strongly in favour of not only getting rid but keeping rid of patronage so long as it is merely a matter of profession and principle; but when it comes to the application, there is a great falling away. The hon. member for Marquette (Mr. Crerar) argues that patronage is eliminated as long as the Civil Service Commission appoints, and

it is all right for the government after that to increase or even diminish salaries. So long as those who get in the door get in with the imprimatur of the Civil Service Commission, then patronage is not there. Will he follow me just for a minute when I seek to prove, as it appears to my mind, that the power to increase or to diminish salaries is the whole thing? The board could have a very small salary, a trifling one for those who commence, so that practically there would be no applicants, but, of course, they would have to have such a salary that somebody would apply. If the Governor in Council on the recommendation of the board is to be permitted to take Mr. "A" and to add $100 to his salary today and in a month from now another $100, and to keep on doing that at its will, the Governor in Council determines who stays there. If it determines who stays there, that is the very same thing as determining who is admitted,—in the end it would be the Governor in Council who would appoint them. One may argue that this is worth while in order to get the direct appointment. It may be that special circumstances would demand that; but once you give the control of salary to the Governor in Council, you give the control of appointment to the Governor in Council because it can weed out at will, it can confer favours at will; and I venture to say that, with that power, however greatly it may be necessary—and nobody would put more stress on it than I would in connection with the inspection of grain—you are not going to get in the end as efficient a service as you have now. You are going to get men in the service for all sorts of reasons as well as because they are good inspectors. It is said that you cannot reward a man in time; that you cannot get enough salary for him. How is it, in the face of that, that the board has not recommended classifications above in order that promotion might be possible to those posts? We have before us evidence irrefutable that the board have been thoroughly satisfied with the scale of salaries; that they have never applied for a higher scale.

Mr. CRERAR: I do not quite understand the right hon. gentleman's reference to classification of inspectors.

Mr. MEIGHEN: The board could recommend a salary classification above what there is if it wished. The board have themselves accepted the classification as it stands. They could recommend a classification above, giving another name for it, and then if the Civil Service Commission refused it, it might be worth while inquiring which was right. But that has never occurred. The Civil Service Commission has granted all applications of that kind after consultation with the Board of Grain Commissioners. Here we stand without a single complaint. The hon. member says that somebody had his resignation in the hands of the minister because of difficulty. How is it that no word of that reached the Civil Service Commission?

Mr. CRERAR: It did.

Mr. MEIGHEN: The records show that it did not. I know every official always wants to have the say as to who is under him. There is something to be said for that. In private business it is the right thing, but in government business it is impossible because of other elements that enter into the situation that cannot enter into private business where profit is the object. The hon. member says that we lose men who are almost indispensable to the grain trade. That is the case throughout the whole service, and it is bound to be so as long as government service exists. If the hon. member thinks that any board that is paying out public money is to be allowed to pay out just as high salaries as are necessary to keep the men it wants to keep, my eyes weep for the taxpayers of Canada. That is impossible; if the hon. member had charge of a department for a short time, he would soon see the impossibility of it. You cannot keep the best by paying them salaries equal to those which a private business will pay. We have a certain structure built up. We have already started nibbling at it in various ways, and if we keep on we shall find more and more precedents to follow until the whole structure falls down. We built up this great structure under cover of professions of desire to abandon patronage for good, and now we are pleading for it after knowing what it has performed.

Mr. MACLEAN (Prince): In the Agriculture committee we were given to understand that the Grain Act was self-sustaining. If that is the case, I think it would be rather far-fetched to say that the Civil Service Commission should control the appointments.

Mr. MEIGHEN: The whole Weights and Measures service is self-sustaining; the Post Office Department is self-sustaining; the Department of Customs and Excise is self-sustaining; the Income Tax branch is self-sustaining. That is the case, not in every part of the service, but instances can be found all through the service. The principle that has been advocated would destroy all that has been done.

Mr. MACLEAN (Prince): There is a difference in that. In many of these, technical or educational training or special training along certain lines is required, but in this case possibly a farmer who would be handling grain would be better for the work than a technical man. Therefore, it looks to the outside observer as if it would not be necessary to have competitive examinations; but I think, when this is purely a farmers' organization and they are paying for the work, it would be quite within their rights to have the Board of Grain Commissioners appoint the men to do the work.

Amendment (Mr. Garland, Bow River) negatived: Yeas, 36; Nays, 43.

Mr. GARDINER: I have another amendment to move to subsection (2) of section 9. I move that the words "Governor in Council" in the twelfth line be struck out and the words "Civil Service Commission" be substituted therefor so that the subsection will read:

Notwithstanding anything in any other act contained, inspectors, inspecting officers, weighmasters and their assistants shall be paid such compensation as is determined by the Civil Service Commission upon the recommendation of the board.

I attended the sessions of the agricultural committee on many occasions and I did hear evidence with regard to the question of salaries for technical men under the board. But I never heard any member of the board or even the chief inspector make the statement that they had not been able to obtain from the Civil Service Commission all increases they had asked for. That being the case, I see no reason why the Civil Service Commission should not have control in this matter. I do not wish to take up the time of the committee further and I now move the amendment I propose.

Amendment negatived on division: Yeas, 38; Nays, 44.

Subsection (2) agreed to.

Section agreed to.

Sections 10 and 11 agreed to.

On section 12—Appointment of persons having technical knowledge.

Mr. MEIGHEN: What is the necessity for this section? It declares that certain technical officers may be appointed "in the manner authorized by law." Unless there is something in this section that does not appear on the surface it is pure surplusage.

Mr. GRAHAM: There is no change.

Mr. MEIGHEN: The note of explanation to section 9 states that that section—

—corresponds to section 8 of the act of 1912, but is drafted to conform to the requirements of the Civil Service Act.

And the note that explains this section, 12 declares that the section corresponds to section 11 of the act of 1912 but is drafted in accordance with the Civil Service Act. Unless this section is meant to get around the Civil Service Act it has no meaning because the same matters would come under section 9. What has the minister to say in explanation of it?

Mr. LOW: I do not think I can add anything to the explanatory note. Section 11 of the act of 1912 provides that the board may, with the approval of the Governor in Council, appoint any person having special or technical knowledge of the subject in question to assist in an advisory capacity on any matter before the board. That is substantially the same as the clause now before us.

Mr. GOULD: I can conceive the necessity arising for the board to send to any of the terminal elevators in any part of the country some man having technical knowledge of his subject, and in that case I should think this provision would be necessary.

Mr. MEIGHEN: If that is what it means, it is covered under section 9.

Mr. LAPOINTE: This is merely to conform to the Civil Service Act.

Section agreed to.

Sections 13 to 31 inclusive agreed to.

On section 32—Official standards. Samples of grain.

Sir HENRY DRAYTON: What is the real effect of the change?

Mr. LOW: It was a specific date before, and it was found impossible sometimes to collect the samples promptly.

Section agreed to.

Section 33 agreed to.

On section 34—After dark or in wet weather. Inspecting officer to be present. Issue of certificate.

Mr. MEIGHEN: I must congratulate the draftsman on his very illuminating comments at the side.

Section agreed to.

Sections 35 to 38, inclusive, agreed to.

On section 39—Commercial grades established.

Mr. COOTE: With regard to the concluding sentence of this section, "and such special grades shall continue to be the commercial grades until changed," would the minister explain just what is meant?

Mr. LOW: The grades established last fall hold good until they are again established next fall.

Section agreed to.

On section 40—Standards established by grain standards board. Selection to be permanent. Standards. Samples. Inspectors to be governed by the act.

Mr. MEIGHEN: The explanation says that the section is drafted in accordance with the requirements of the Civil Service Act. What is the difference between this section and the old section; who selected this board before?

Sir HENRY DRAYTON: It looks as if the note was entirely misleading.

Mr. CRERAR: Section 48 of the act of 1912 reads as follows:

Grain Standards Board

48. The board may appoint, for any division or district, as a grain standards board, such number of fit and skilful persons as it deems necessary, for the purpose of establishing such commercial grades and of choosing samples of such grades to be the standards therefor; and the appointment of such persons by the board shall be held to be permanent and effective until superseded and replaced by other appointments by the board for that purpose.

2. The persons so apointed shall select and establish only the standards found necessary, to be designated as commercial standards; and in the inspection of all grain other than that subject to be graded as commercial grade, the inspectors shall be governed by the grades established by this act.

Mr. MEIGHEN: The explanation is nonsense.

Mr. CRERAR: I quite agree with my right hon. friend; the explanation at the side is entirely unnecessary.

Mr. COOTE: From what I understand, it seems that we follow a rather peculiar procedure here. I think under section 32 the chief inspector is supposed each year to select samples of the different grades of grain, to be known as the official standards. When we come to the commercial grades we have a board composed of about fifteen persons, some of whom, I suppose, have a knowledge of the grain trade, others possibly are growing grain, but so far as I know there are no technical men on this standards board. If all the commercial grades are to be set by this grain standards board it is certainly one of the most important questions we have to take care of in the act. How are these persons to be appointed?

Mr. LOW: The members are appointed by the Board of Grain Commissioners for their special knowledge in the grain trade. Most of them are grain growers; some are millers.

Mr. COOTE: Is the chief inspector a member of this grain standards board?

Mr. LOW: He may be. He prepares the samples and is always present.

Mr. COOTE: Is the deputy inspector, for instance, from Calgary at that meeting of the grain standards board as a member?

Mr. LOW: He is not a member of the board, but he has been present.

Mr. COOTE: I would suggest that the inspectors at Calgary, Edmonton, Moose Jaw, or any of the other points, should
6 p.m. be members of this grain standards board, for I think they know more about the building up of proper samples on which the grain for the season should be graded than many of the present members of that board.

Progress reported.

On motion of Mr. Mackenzie King the House adjourned at six o'clock.

Monday, June 22, 1925

The House met at eleven o'clock.

REPORT

Eleventh report of the select standing committee on Miscellaneous Private Bills.—Mr. Raymond.

PRIVATE BILLS

FIRST READINGS

Bill No. 235, from the Senate, for the relief of James Deverell.—Mr. Tolmie.

Bill No. 236, from the Senate, for the relief of Anita Allcock.—Mr. Rankin.

SECOND READINGS

Mr. SPEAKER: I have been asked by several members that in order that the private bills on page 18 of the order paper may be referred to the select standing committee on Miscellaneous Private Bills, the second readings

be taken now. Of course this can only be done by suspending the rule with the unanimous consent of the House. Is it the pleasure of the House that the second readings should be taken now of the private bills on page 18? Then, by leave of the House, we will now proceed to take them up.

Bill No. 197, for the relief of Euphemia Tudor Slade.—Mr. Duff.

Bill No. 198, for the relief of Marion Roberts Edmiston.—Mr. MacLaren.

Bill No. 199, for the relief of William Morgan Floyd.—Mr. Hanna.

Bill No. 200, for the relief of Harry Iven Jones.—Mr. Maclean (York).

Bill No. 201, for the relief of Edith Smith.—Mr. Duff.

Bill No. 202, for the relief of Mary Helen Wallace.—Mr. German.

Bill No. 204, for the relief of Wilbert Newell Hurdman.—Mr. White.

Bill No. 211, for the relief of Maude Crawford Ross.—Mr. White.

Bill No. 212, for the relief of Bertha Matilda Quinn.—Mr. Garland (Carleton).

Bill No. 213, for the relief of William Garfield Reed.—Mr. Rankin.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

JUDGES APPOINTED

Mr. WHITE:

What are the names, places of residence and dates of appointment of all persons appointed by the federal government since December 6, 1921, as judges in any court in Canada?

Hon. Mr. LAPOINTE:

Name	Residence on appointment	Court	Date of Appointment
Hon. E. L. Newcombe	Ottawa	Supreme Court, Can.	Sept. 16, 1924
Hon. A. K. Maclean	Ottawa	Exchequer Court, Can.	Nov. 2, 1923
Hon. R. G. Fisher	London	Supreme Court, Ont.	Feb. 15, 1922
Hon. Robt. Smith	Cornwall	Supreme Court, Ont.	Oct. 7, 1922
Hon. W. H. Wright	Owen Sound	Supreme Court, Ont.	Aug. 31, 1922
His Honour J. A. Mulligan	Sudbury	County Court, Ont.	Feb. 15, 1922
His Honour D. C. Ross	Strathroy	County Court, Ont.	Jan. 25, 1922
His Honour J. E. Madden	Napanee	County Court, Ont.	May 19, 1925
His Honour M. G. Cameron	Goderich	County Court, Ont.	Aug. 23, 1924
His Honour W. T. Evans	Hamilton	County Court, Ont.	Mch. 29, 1923
His Honour M. J. Kenny	Port Arthur	County Court, Ont.	Aug. 14, 1923
His Honour J. B. T. Caron	Ottawa	County Court, Ont.	Mch. 29, 1923
His Honour D. O'Connell	Toronto	County Court, Ont.	Mch. 30, 1922
Hon. A. R. Hall	Montreal	K. B., Quebec	Nov. 14, 1922
Hon. S. Letourneau	Montreal	K. B., Quebec	Jan. 25, 1922
Hon. J. Demers	St. Johns	Superior Court, Que.	July 22, 1922
Hon. C. A. Wilson	Montreal	Superior Court, Que.	Dec. 22, 1922
Hon. E. Roy	Quebec	Superior Court, Que.	Jan. 30, 1924
Hon. C. A. Stein	Riviere du Loup	Superior Court, Que.	May 5, 1922
Hon. G. Desaulniers	Montreal	Superior Court, Que.	Jan. 15, 1923
Hon. A. Trahan	Montreal	Superior Court, Que.	April 25, 1923
Hon. A. M. Tessier	Rimouski	Superior Court, Que.	Oct. 14, 1922
Hon. L. Boyer	Montreal	Superior Court, Que.	Oct. 1, 1924
Hon. T. Rinfret	Montreal	Superior Court, Que.	July 22, 1922
Hon. R. H. Graham	New Glasgow	Supreme Court, N.S.	May 15, 1925
Hon. D. D. McKenzie	Sydney	Supreme Court, N.S.	April 11, 1923
Hon. J. P. Byrne	Bathurst	Supreme Court, N.B.	Oct. 1, 1924
Hon. A. T. Leblanc	Campbellton	Supreme Court, N.B.	Mch. 4, 1924
His Honour J. A. Barry	St. John	County Court, N.B.	June 15, 1923
Hon. W. H. Trueman	Winnipeg	App. Court, Man.	April 14, 1923
Hon. J. E. Adamson	Winnipeg	K. B. Man.	May 1, 1922
His Honour L. St. G. Stubbs	Birtle	County Court, Man.	Mch. 16, 1922
His Honour D. A. Stacpoole	Winnipeg	County Court, Man.	July 4, 1924
His Honour A. N. McPherson	Winnipeg	County Court, Man.	Nov. 9, 1923
His Honour J. L. P. Roy	Winnipeg	County Court, Man.	Jan. 23, 1925
His Honour J. G. Cory	Winnipeg	County Court, Man.	Jan. 25, 1924
Hon. M. A. Macdonald	Vancouver	App. Court, B.C.	May 27, 1924
Hon. D. A. Macdonald	Vancouver	Supreme Court, B.C.	May 8, 1922
Hon. W. M. Martin	Regina	App. Court, Sask.	July 22, 1922
His Honour A. Gravel	Gravelbourg	District Court, Sask.	July 22, 1922
Hon. J. R. Boyle	Edmonton	Supreme Court, Alta.	Aug. 27, 1924

ACTING CUSTOMS OFFICER LAPOINTE

Mr. DOUCET:

1. Was there a complaint made in December, 1924, or January, 1925, against Acting Customs and Excise Officer Lapointe of St. Leonard, Madawaska County, New Brunswick?

2. If so, what date was such complaint made, and by whom?

3. Was the complaint made by one Joseph Desjardins, of St. Leonard?

Hon. Mr. CARDIN:

1. Yes.

2. January 21, 1925. It would be contrary to established practice to divulge name of complainant.

3. Answered by No. 2.

TIMBER AND GRAZING LANDS

Mr. McTAGGART:

Has the Department of Timber and Grazing made disposition of any or all of the following Dominion lands, and if so, what disposition has been made and who are the beneficiaries: Section 31-14-24-W. 3rd M., North Half 30-14-24-W. 3rd M., Section 12-14-25-W. 3rd M., Section 36-14-25-W. 3rd M., North Half 25-14-25-W. 3rd M.?

Hon. Mr. STEWART (Argenteuil): While no actual disposition has been made of these lands up to the present time, a departmental inspector has recommended that the north half of section 30 and section 31, township 14, range 24; and the north half of section 25 and section 36, township 14, range 25, west of the 3rd meridian, be leased to Mr. Robert Mitchell of Big Stick, Saskatchewan, and that section 12, township 14, range 25, west of the 3rd meridian, be leased to Mr. William Bell, of Wapashoe, Saskatchewan.

POPULATION, EXPENDITURE AND DEBT OF CANADA

Mr. MARLER:

For the fiscal years ending 1871, 1872, 1881, 1882, 1891, 1892, 1901, 1902, 1911, 1912, 1921, 1922 what was:—

(a) The population at the end of each year?

(b) The net consolidated debt at the beginning of the year, the interest on the debts including charges of management, discount and exchange in each year, the total ordinary expenditure, the capital expenditure, special expenditure exclusive of demobilization, and war expenditure, the whole in each year?

(c) What was the total expenditure in each year?

(d) What was the net consolidated debt at the end of each year?

Hon. Mr. ROBB:

POPULATION, EXPENDITURE AND DEBT OF CANADA IN CERTAIN YEARS BETWEEN 1871 AND 1922

Fiscal Year Ended	Population at end of year	Net consolidated debt beginning of year	Interest on the debt and charges of management, discount and exchange	Total ordinary expenditure	Capital expenditure	Special expenditure exclusive of demobilization	War and demobilization expenditure	Grand total expenditure	Net consolidated debt at end of year
	$	$	$	$	$	$	$	$	$
1871	3,518,000[1]	78,209,742	5,591,959	15,625,082	3,670,396	.....	.....	19,293,478	77,706,518
1872	3,611,000	77,706,518	5,603,644	17,589,469	7,853,050	223,456	.....	25,665,975	82,187,072
1881	4,337,000[1]	152,451,589	7,819,589	25,502,554	8,176,317	117,772	.....	33,796,643	155,395,780
1882	4,384,000	155,395,780	7,935,848	27,067,104	7,405,637	201,885	.....	34,674,625	153,661,651
1891	4,844,000[1]	237,533,212	9,846,205	36,343,568	3,115,860	1,333,780	.....	40,793,208	237,809,031
1892	4,889,000	237,809,031	9,947,916	36,765,894	2,164,457	3,341,785	.....	42,272,136	241,131,434
1901	5,403,000[1]	265,493,807	11,009,816	46,866,368	7,695,488	3,421,010	.....	57,982,866	268,480,004
1902	5,532,000	268,480,004	11,239,185	50,759,392	10,078,638	3,132,770	.....	63,970,800	271,829,090
1911	7,206,643[1]	336,268,546	12,912,628	87,774,198	30,852,963	4,234,089	.....	122,861,250	340,042,052
1912	7,365,205	340,042,052	12,714,408	98,161,441	30,939,576	8,041,065	.....	137,142,082	339,919,461
1921	8,788,483[1]	2,248,868,624	140,653,608	361,118,145	40,012,807	492,048	16,997,544	528,302,543[2]	2,340,878,984
1922	8,940,150	2,340,878,984	139,357,450	347,560,691	16,295,333	301,518	1,544,250	463,528,389[2]	2,422,135,802

[1] Population for 1911 and 1921 are given as at the census of June 1 in each year.
[2] Includes advances to railways (non-active) amounting to $109,662,655 in 1921 and $97,950,645 in 1922.
NOTE.—The interest on the debt., etc., of course, is included in the total ordinary expenditure given in the net column.

EXCISE DUTY ON RAW LEAF TOBACCO

Mr. DENIS (Joliette):

1. What is the date on which an excise duty of five cents a pound was imposed on raw leaf tobacco and the date on which that duty came into effect?

2. What is the date on which that duty was removed?

3. What amount of money has been collected under that duty at the Joliette division for each of the following fiscal years, 1918, 1919, 1920, 1921, 1922 and 1923?

Hon. Mr. CARDIN:

1. Bill assented to May 24, 1918. Effective from September 1, 1918, inclusive.

2. May 24, 1922.

3. Fiscal year ended March 31, 1918, nil. Fiscal year ended March 31, 1919, $7,601.95. Fiscal year ended March 31, 1920, $134,616.45. Fiscal year ended March 31, 1921, $136,476.36. *Fiscal year ended March 31, 1922, $148,755.71. *Fiscal year ended March 31, 1923, $22,321.20.

*Inland Revenue Division of Joliette absorbed into the port of Montreal, upon amalgamation, April 1, 1921. Statistics for the two fiscal years last quoted refer to collections for the territory formerly comprised in the Inland Revenue Division of Joliette.

UNOPPOSED MOTIONS FOR PAPERS

CHICOUTIMI-SAGUENAY TELEGRAPH

Mr. BLACK (Yukon) (for Mr. Doucet):

For a copy of all correspondence exchanged between the government, the Department of Public Works and La Compagnie Coopérative Téléphonique des Comtés de St-Jean-Chicoutimi, since May 24, 1923, with reference to the lease or sale of the telephone lines between Chicoutimi and St-Ambroise and St-Ambroise and Peribonka in the constituency of Chicoutimi-Saguenay, Quebec.

I. WILSON SALMON FISHING STAND

Mr. BLACK (Yukon) (for Mr. Doucet):

For a copy of all correspondence exchanged between the Department of Marine and Fisheries and others with reference to a salmon fishing stand near Derby Junction on the southwest branch of the Miramichi in the county of Northumberland, New Brunswick, and known as the I. Wilson stand.

WEIR LICENSE—GRAND MANAN

Mr. GRIMMER:

For a copy of all correspondence between the Department of Marine and Fisheries or any official thereof and any person or persons, respecting the refusal to grant a weir license to Hartford Boynton of Castalia, Grand Manan, New Brunswick, and of any and all reports relating thereto.

NATIONAL FLAG FOR CANADA

Mr. T. L. CHURCH (North Toronto) moved:

For a copy of all correspondence, reports, letters, orders in council, relating to the question of a new Canadian flag for use on shore, with any recommendations made by the Department of National Defence, and also the names of the sub-committee appointed by the order in council.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I read to the House at a previous sitting a copy of the order in council based upon a recommendation of the Department of National Defence for the appointment of a committee to study various suggestions that have been made with respect to a national flag. At the time I announced to the House that the government would not think of taking any action in this matter without parliament in the first instance adopting a resolution with reference thereto. Under the circumstances, it has seemed advisable to the government that no action should be taken, even by the sub-committee, until parliament itself takes action in the matter, and a subsequent order in council has accordingly been passed, a copy of which I shall read to the House and lay on the table. The order in council reads:

The Committee of the Privy Council have had before them a report, dated 20th June, 1925, from the Minister of National Defence, submitting that in accordance with representations made in parliament by the Prime Minister on the 17th June, 1925, with respect to the procedure that should be followed in regard to the question of the adoption of a Canadian national flag for use ashore and that it is desirable that the matter should be decided by parliament before any action should be taken thereon by a committee, and recommending for these reasons that the order in council of the 23rd April, 1925 (P.C. 623) appointing a committee to consider and report on the most suitable design for a Canadian national flag for use ashore, be cancelled.

The committee concur in the foregoing, and advise that the said order in council be cancelled, accordingly.

Mr. MACLEAN (York): Nothing will be done except what parliament sanctions?

Mr. MACKENZIE KING: The government has thought it advisable that the matter should be discussed and settled in parliament first. A resolution with respect to this matter is at present on the order paper.

An hon. MEMBER: How did the matter first come up?

Mr. MACKENZIE KING: The order, as the hon. member will see on perusal, came, in the regular way in which ordinary routine business of the government departments comes up. It came in the first instance from the Department of National Defence. It was purely a departmental matter.

Motion agreed to.

DOMINION NOTE ISSUES—RE-DISCOUNTING

On the Orders of the Day:

Hon. J. A. ROBB (Acting Minister of Finance): On the 13th May, on the motion of the hon. member for Brant (Mr. Good), an order of the House was passed respecting the operations of the Finance Act. I am advised by officials of the Department of Finance that the information required under this return is in course of preparation, but that it will take several days before the information is completed. It will be remembered that when the motion was under discussion I drew the hon. member's attention to the fact that the information desired was of a very extensive character, practically covering in detail the operations under the Finance Act from its inception to date. While the information is all readily available from the records of the department, it has been found necessary to re-tabulate a considerable portion of it in order to answer the questions.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): I notice the Minister of Labour has returned from his mission to the Nova Scotia strike area. Has the minister any statement to make to the House as to the actual conditions in Cape Breton, as to what prospects there are for an immediate settlement of the dispute and a removal of the troops?

Hon. JAMES MURDOCK (Minister of Labour): It would, perhaps, be inadvisable to make any extended statement in regard to the situation as it exists in Nova Scotia at the present time. As has been stated to the press, the company made a proposal through me to the district board of the United Mine Workers on the 17th of this month and that was presented to the board the next day. When I left Sydney on Friday morning last, the district board were to canvass the proposals for a settlement made by the company with their locals of the organization and possibly through a referendum vote of the United Mine Workers, and the decision of the mine workers and, in any case, of the locals will be indicated to the district board within the next few days, when possibly further discussions will be held to ascertain if a settlement can be reached on the basis that is proposed.

PRIVILEGE—MR. GUTHRIE

On the Orders of the Day:

Hon. HUGH GUTHRIE (South Wellington): I desire to rise for a moment on a matter of privilege. On my return to the House of Commons this morning after an absence of about ten weeks, my attention was called to a statement appearing in Hansard of the 16th April last at page 2209, in a speech of the hon. member for Cape Breton South and Richmond (Mr. Kyte), in which speech these expressions are used regarding me:

> 1920 and 1921 the member for South Wellington (Mr. Guthrie) took a trip to England and his expenses charged up to the government amounted tc $9,400.

Then in the following column:

> I do not care what business he was on, he could not eat up $9,400 properly on any such trip.

Had I been in my place when the statement was made, of course I would have put the matter right at that time, but I was absent. The amount referred to is to be found in a return brought down to this House in the session of 1922. It covers the expenses of a trip in the year 1920 and a subsequent trip in the year 1921. In the year 1920, at the request of the government then in power, as Minister of Militia, I went to England to attend a meeting of the Imperial War Graves' Commission which was called in London for the purpose of settling the policy which should pertain in respect of war graves of soldiers of both the Imperial government and the Dominion. I was also appointed by the Dominion government on that occasion to attend as its representative the international financial meeting at the city of Brussels called by the League of Nations. I attended the meeting of the War Graves Commission, and subsequently I went to Brussels to attend the meeting of the financial delegation which sat there for, I think, about ten days. Later, I went through the war zone for the purpose of demobilizing a large number of Canadian soldiers who were still at work there. On my return to London I investigated the case of many men who were then on the pay list of Canada and, as I thought, unnecessarily so, and I demobilized the remainder of the Canadian army then in Great Britain with the exception of some twenty-five or thirty men. In the month of June of the following year, I was requested by my leader, then the Prime Minister, to proceed to London in connection with the Imperial conference. I was not actually one of the delegates at the conference, and I think I attended the sittings of the conference on only three occasions. But as a great many matters pertaining to mili-

tary subjects, and also the question of air armaments, were to be discussed, I was asked to be present for that purpose. The chief purpose, however, of my visit on the second occasions was to settle outstanding claims between the Ministry of Shipping and the Department of Militia of Canada involving a great many millions of dollars. I took over for the purpose an accountant of the department here, and after four or five weeks of strenuous work we settled all questions save one. As a result of our efforts we succeeded in having the bill of the Ministry of Shipping reduced by several hundred thousand dollars. The amount mentioned by the hon. member for Cape Breton South and Richmond is the total expense of the two trips and not of a single trip, as the House would infer from his statement.

SOLICITOR GENERAL AND MINISTER OF JUSTICE

On the Orders of the Day:

Mr. ROBERT FORKE (Brandon): Seeing that the portfolio of the Solicitor General is at present vacant, has the government considered the advisability of amalgamating this office with that of the Minister of Justice, thus bringing all legal matters under the one department and, besides, making a large saving in matters of expense?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The government has already considered the point which the hon. member has brought up, and will make an announcement a little later of its decision.

DISTURBANCES IN CHINA

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Has the government received any representations from the Chinese Consul regarding the exploitation and shooting of Chinese workers by British soldiers? Has Canada, as a member of the League of Nations, taken any action looking to the removal of the causes of the present disturbances in China?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not aware of any representations having been received along the lines indicated by my hon. friend. I shall make inquiries at once and see if there have been any.

Mr. WOODSWORTH: Would the Prime Minister be kind enough to answer the second part of my question, as to whether Canada, as a member of the League of Nations, has taken any action looking to a protest against the causes which have given rise to the troubles in China? As a member of the League of Nations we have a right to act in the matter.

Mr. MACKENZIE KING: The troubles in China at the moment are the subject of correspondence between the British government and our own. I am not at liberty at the present time to disclose the nature of that correspondence, but I can assure the hon. gentleman that so far as Canadian citizens are concerned the government is taking every precaution to see that their lives and property are safeguarded to the greatest extent possible.

Mr. WOODSWORTH: I hope I have made myself understood. I was not speaking primarily of taking precautions to preserve the lives of Canadians in China; I was referring to any action the government might have taken to prevent, through the League of Nations, the exploitation of the Chinese which is now taking place and which is likely to cause considerable world trouble. Has our government, as a member of the League of Nations, taken any action at all, and if so what?

Mr. MACKENZIE KING: As a member of the league the government has not taken any action such as my hon. friend suggests. It is rather a large subject and at the moment I can only promise to see that the matter will be taken into consideration.

Mr. GRAHAM: Why not inquire into Chinese attacks on the British?

RULES OF THE HOUSE

REPORT OF SPECIAL COMMITTEE

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): On Saturday night, on the suggestion that we go on with the consideration of the report of the special committee on the revision of the rules of the House, I suggested that the matter be allowed to stand over until next session. But as my words came immediately after an inquiry by the hon. member for Marquette (Mr. Crerar) with reference to the Grain Act, and as those particular sentences in my remarks made no mention of the rules, anyone reading Hansard would think that I was suggesting that the Grain Act should stand over. I want to set my hon. friends to my left at rest on that point; I hope that no one will be misled in the country as to my meaning. I was referring to the amendments of the rules of the House.

Mr. CRERAR: That, I thought, was clear at the time.

Mr. SPEAKER: I had been under the impression that the discussion of the proposed amendments to the rules of the House would take place this morning, but I yield to the request made by several members that, as the session is soon to conclude, the matter may be allowed to stand until next session. I desire to say, however, that the child is full of life; it is not an orphan. If I am here next session I will press for the consideration of the subject.

Mr. MEIGHEN: I hope you will permit me, Mr. Speaker, to say that it is a matter of real regret to myself that the advantage of the work of the committee cannot be availed of this session. It is only the fact that a discussion of that kind would be necessarily somewhat detailed and lengthy that prompted me to make the suggestion which I offered on Saturday night. I know of no work of any committee that appeals to me as having been more thoroughly carried out than that of the committee which revised the rules this session, and I sincerely trust that those of us who are back next year will be prepared to consider the matter. I assure the House that the party which will be in control at that time will not allow to pass into oblivion the work of the committee during this session.

Mr. W. D. EULER (North Waterloo): As a member of that special committee I should regret very much if we could not take advantage of the work which it has done so very carefully. If the matter is postponed until next session, will it be necessary for the work of that committee to be done over again?

Mr. MEIGHEN: No.

Mr. SPEAKER: Undoubtedly another committee will have to be appointed, I trust the same; and I should think that as a matter of course the same report would be adopted. I do not think we can improve on the report that has been brought in, except by general discussion. I repeat, however, that the child is by no means an orphan; it is perfectly legitimate and it will be present here next session.

Mr. WILLIAM IRVINE (East Calgary): As the mover of the resolution that led to the investigation of this question, and in view of the fact that the next year is uncertain for a whole lot of us, I should like to see the matter proceeded with this year.

Hon. GEORGE P. GRAHAM (Minister of Railways): I want to assure the hon. gentleman as well as the House and the country that the revision of the rules will be looked into next session. I want to offer the assurance, from this side of the House, that the party which will be in power at the next session will see to the matter.

Mr. W. C. GOOD (Brant): May I ask what obligation another parliament would be under to proceed with this matter? Suppose the composition of the next parliament were considerably changed, would there be any obligation upon it to take up this important question?

Mr. SPEAKER: At least a moral obligation.

MOVEMENT OF ALBERTA COAL

On the Orders of the Day:

Sir HENRY DRAYTON (West York): Will the Minister of Railways say what accuracy there is in the report that appears in the press this morning with reference to the moving of Alberta coal? The newspapers say that Sir Henry Thornton is not going on with the experiment with regard to a lower rate owing to the fact that it will be looked upon as affecting the whole rates schedule. That does not necessarily follow. Time and again when I was chairman of the Board of Railway Commissioners we had emergency low rates put into effect, with the accompanying intimation that such rates were not commercial but were purely to meet an emergency.

Hon. GEORGE P. GRAHAM (Minister of Railways): I have no intimation on this matter except the news item that has appeared in the papers. I did receive information indirectly some days ago that there was some difficulty regarding the question as to what parties were to make up any deficiency as a result of the arrangement. I think the railways will accept the coal at $7 provided that the losses will be guaranteed by the other parties to the arrangement. However, I shall inquire into the matter.

CIVIL SERVICE SUPERANNUATION

On the Orders of the Day:

Mr. T. W. BIRD (Nelson): Is it the intention of the government to bring in an amendment to the Superannuation Act of last year making provision for the children and widows of civil servants who were superannuated under the old act?

Hon. J. A. ROBB (Acting Minister of Finance): Since the adoption of the Superannuation Act last year there have been representations on behalf of several organizations for amendments. It is not the intention of the government to submit any amendments to the act this session.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

Hon. J. A. ROBB (Minister of Immigration and Colonization) moved the second reading of Bill No. 208 to amend The Soldier Settlement Act, 1919.

Mr. A. W. NEILL (Comox-Alberni): Before the motion carries I want to correct a mistake I made when discussing this measure on a previous occasion. I said at that time, speaking without my notes in answer to a question by the minister, that as far as I was aware there were forty settlers in the particular neighbourhood of which I was speaking, that is to say Courtenay. There are 144 settlers there. Whilst I am on my feet I want to quote briefly one or two paragraphs from the petition they presented to the government in connection with this matter:

> And whereas many settlers have been compelled to abandon their farms, whilst in this district alone, although only sixteen cases are shown as actual salvage cases, there are upwards of forty settlers out of 144 who have left their places with no intention of returning, making a percentage of thirty-two per cent.
>
> And whereas the government will at the present time sell any of these abandoned places to the public at cost price plus amount spent on permanent improvements, thus showing a complete loss of amounts spent on stock and equipment as well as loss of all interest due.
>
> And whereas very few salvage properties have been re-sold and in some cases where re-sale has taken place the properties have again reverted to the board, thus indicating that such properties are considerably overvalued.
>
> And whereas the prevailing price of wild land in this district is $7.50 per acre and the average price paid by soldier settlers averages $40 per acre. Whilst cost of clearing same is from $200 to $300, making cost of further clearing prohibitive at original price paid for this land, such land being valueless for farming purposes until cleared.
>
> And whereas it is believed that any reasonable adjustment as hereinafter suggested will in the aggregate cost the country less than the alternative, namely, a number of salvaged farms to be sold at a considerable loss and an equal number of ruined farmers.
>
> Therefore the following alterations in legislation affecting soldiers are suggested:
>
> 1. To make the reductions in the repayments due to the board so far as livestock is concerned in accordance with the recommendation of the special committee on Re-establishment of the Returned Soldiers as set out in clause one, sections A and B of their report to the House.
> 2. To make a reduction of 25 per cent on original cost of cleared land and permanent improvements purchased and made in the years 1919, 1920, etc. Also a reduction of 50 per cent on original cost of all uncleared land purchased during those years.
>
> They end up by saying:
>
> We respectfully request that you give your support to the above alterations with special reference to Vancouver Island, where conditions are altogether different to any other part of Canada.

I earnestly trust that the minister will give an expression of his determination to have his officials examine certain districts where the conditions are so flagrantly unjust and unsatisfactory that some measure of relief will have to be granted by way of revaluation, if not this year, then at any rate not later than next year.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

Section 1 agreed to.

Title agreed to.

Mr. WARD: Mr. Chairman, before you report the bill, I wish to support the suggestion of the hon. member for Comox-Alberni (Mr. Neill), that if we pass this bill in its present form the Soldier Settlement Board will be instructed to at once examine into conditions in certain sections of the country and see if something cannot be done to bring about some form of revaluation next session. Since the debate first took place in this House I have received several communications from my constituents, not only from the settlers themselves but from business men, urging upon me to oppose this bill and to press for something further in the way of revaluation. I wonder if the minister will give us an assurance to this effect before the bill passes.

Mr. BANCROFT: Mr. Chairman, I should like to support the proposal that provision be made for the revaluation of lands in connection with this bill. I am sure that the officers of the department are familiar with the situation and know that in certain districts it is imperative that revaluation should be made, otherwise the land will be completely abandoned and will be unsaleable to anyone else. One section I have in mind is between the lakes in Manitoba, in the constituency I have the honour to represent. During the early days the board by some means or other got hold of some stony scrub land, with very shallow loam and a gravelly sub-soil, that is absolutely unfit for farming purposes. I can show the minister farms in that district with only ten or fifteen acres under cultivation that were sold to the soldier settlers at from $20 to $25 an acre. It was because of this unsatisfactory condition that the board made a clean-up of its Winnipeg office—in 1920 I think it was—and got rid of practically all the valuators who were in the field at the time the original purchases were made. I submit that that is an acknowledgment that something was done at the time that should not have been done. In view of this acknowledgment, it was certainly the duty of the government

then, and the duty still remains upon the government to-day, to compensate the soldier settlers who have been put in such a serious position because their land was not as represented to them at the time they acquired it.

Mr. MILLAR: Mr. Chairman, I desire to support the suggestion of the hon. member for Comox-Alberni. Possibly it is too late now to do anything more than the bill provides for, and if that is so I am quite willing that the bill should pass, but I believe his suggestion is a good one and should be adopted. It seems to me it would be a great mistake to allow some of those soldiers, who are good farmers and are doing their very best to succeed, to be forced off their land, which they took up when prices were so high that they are never likely to be able to free themselves from debt.

Mr. IRVINE: What was the suggestion made by the hon. member for Comox-Alberni?

Mr. MILLAR: I understand his suggestion to be that after the session is over the officers of the department be instructed to look into the revaluation of lands in certain districts where it appears they were too highly valued at the time of purchase. I have received several telegrams complaining bitterly that the bill does not go further, but I realize the difficult position in which the minister is placed, and I certainly would prefer to see the bill go through as it is rather than have it withdrawn. I know of one particular case in my own district where the land was valued at $30 an acre, and I am sure it is not worth more than $10 an acre. If the officers of the department were instructed to look into such cases, I think something could be done to relieve the soldier settler of his heavy burden, and so encourage him to remain on the land. In this way the soldier himself would gain, and the country as a whole would also gain.

Mr. BROWN: Mr. Chairman, I regret that the government has not seen fit to go as far as recommended by the special committee. I have felt very keenly for the last three or four years that the obligations assumed by our soldier settlers were such that under any circumstances it was impossible for the men to discharge them. In the early part of the session I had correspondence with some of these returned men, and their expressed determination then was to leave their farms. The question in the mind of one man in particular was, would he make another payment on his land or would he leave. I wrote and advised him to hold on just as long as possible for I felt sure that the parliament of Canada would recognize the situation as I saw it and that relief would be forthcoming. I regret now that I gave him that advice, for he has made another payment and will be simply that much more out of pocket. There is no question that the time must come when the country will have to assume a larger share of these obligations than it has assumed up to the present time. It is all very well to say that the lands that are being sold are bringing higher prices; the answer is that it is the best of these lands that have been sold. I can take you to one corner of my own district and show you farms—one in particular—that I would not take as a gift if I was compelled to make my living on them. The district I represent is one of the best agricultural districts of the west, but some farms have been taken there by these returned men on which it is not possible for them under any circumstances to relieve themselves of the obligations which they have assumed in connection with them. When I left home at the beginning of the session I made inquiries from the municipal clerk and I found that about one-third of the farms had already been abandoned. I am quite satisfied, without knowing the actual figures, that fifty per cent of these farms are already abandoned, and in some cases the men who still hold their land are simply holding on in the hope that the government will come to their relief. I have advised them to hold on, and I know there will be disappointment in these quarters. Of course we must accept this bill as granting relief as far as it goes, but I repeat that the time must come, and will come, when this country will have to assume a much larger measure of these obligations.

Mr. IRVINE: I do not think there is any better example of how the rules of the House play into the hands of the cabinet than this bill before us. It proposes a small reduction to returned soldiers on the value of their stock. The cabinet knows very well that the House generally is in favour of some reduction, but the reduction proposed by the bill is only a little more than a gesture, and we cannot vote against it because we are anxious to get as much reduction as possible. On the other hand we are precluded from moving an amendment to get a larger reduction, because the rules of the House will not permit us to make any motion which involves an expenditure of public money. So the government goes ahead with a small reduction which means very little except that it may sound well and make it appear as if the government is very solicitous of the welfare of the soldiers. But

it really does not get anywhere. And here we are, absolutely helpless; we have to vote for something that is nothing but a sham. We cannot take a step that will lead to something definite, to something of value.

Mr. McCONICA: I feel that this bill should pass rather than that we should have no legislation on the subject, but I am quite certain that it will not attain the object sought. I had hardly realized the situation of the soldiers in my community until just before coming to Ottawa. A meeting was held of some thirty young soldiers who were holders of land. I canvassed that meeting thoroughly and I found just one man who was in better shape financially now than when he began. He was a bachelor, had few expenses and had managed to get a little ahead, but there was not another man in the entire company who was not hopelessly involved from the financial point of view. There has been but one aban-
donment, so far as I know in my
12 noon neighbourhood, but the men have been going back year by year, and the stock to-day will not have a proper valuation even when this forty per cent reduction is made. The prices at the time they bought were far in excess of the prices of to-day, and there has been some depreciation. They can surrender every dollar's worth of property they have and go out and buy at lower prices than they will be paying under this reduction. I have not so much complaint as to the value of land in my vicinity; I believe the soldiers will take care of their land obligations, but the reduction on the personal property is not enough. I certainly hope that the government will see its way clear to give us at least a thirty and fifty per cent reduction; forty and sixty per cent would be even better.

Mr. EVANS: I think the government is overlooking a very important feature in soldier settlement if they do not do something regarding the revaluation of land. At a convention held in Saskatoon in March, the Great War Veterans' Association there passed the following resolution:

> Whereas the price agreed to be paid by soldier settlers for land bought from the Soldier Settlement Board is too high in most cases and is a burden which will be impossible to carry and unless adjusted will result in the abandoning of the land, the failure of the scheme, the loss of the settler's stake and hardship and suffering;
>
> Therefore be it resolved that the Soldier Settlement Act be so amended as to make provision for the revaluation of all land (particularly raw Crown land) purchased by soldier settlers from the Soldier Settlement Board, such valuation to be on an arbitration basis, to be optional with the settler and to be based on the condition of the land at the time of purchase, and that the necessary adjustments be made accordingly.

[Mr. Irvine.]

Mr. ROBB: May I interrupt my hon. friend? What was the price paid for the crown lands?

Mr. EVANS: It does not say what the price was, but I suppose it would vary, according to the district. In some cases I know that the price was too high. The resolution goes on to say:

> That there be a revaluation board in each district consisting of three members, one to be appointed by the Great War Veterans' Association, one to be the district superintendent, the third to be a disinterested man familiar with land values to be appointed by the two already appointed.

The loss of these men engaged in primary production will be a distinct loss to the country, and I do not think the help they are calling for would cost any more than the outlay involved in putting immigrants in their places, based on what each immigrant is costing the country at the present time. I sincerely hope the government will take this matter into consideration.

Mr. CAMPBELL: A few evenings ago, in the discussion on the Calgary and Fernie Railway bill, the Minister of National Defence (Mr. Macdonald) took the ground that this House was under an obligation to pass that bill almost without question, because it had been passed by a committee of the House. I am very sorry that the government does not adopt the same attitude toward the recommendations of the committee which dealt with the revaluation of soldiers' property. It seems to me that there is only one way in which we will get this thing down to a proper basis. An arbitrary reduction, after all, is not fair. In some cases the stock and the land may be not overvalued at the present time, and a revaluation would not be fair to the government or to the whole people. In a great many other cases the land is very much over-valued, and any ordinary reduction is of no use either to the soldier or to the department. The only fair way to handle this whole matter is to place a board in control of it and have a reappraisal made of all the stock and of all the land. Some of this land was well chosen, some of it is the best in the country; but in other cases its condition is such that it is impossible for any settler to make a living on it, and the valuation must be greatly reduced, otherwise the soldier cannot possibly remain on it. To write off these amounts would not in itself be a distinct loss to the government as it might appear to be, because the government is going to lose anyhow; in the last analysis it is only a matter of book-keeping. I appreciate the attitude

the government may take in pointing out that it would be an addition to the national debt and would perhaps show against their particular regime—I suppose that would be the official way of looking at it. But in so far as the nation as a whole is concerned, the loss must be accepted in the last analysis. What I consider the great crime in connection with the handling of this question in the past has been that after the original soldier settler was forced off the land, after he found he could not make it go, could not pay the interest on the principal and live, there was a reduction made in a great many cases to a proper basis, and the land was resold to another man. In a great many cases, had the land with that reduction been offered to the original soldier settler, he could have remained on it and made good. But now the best years of his life are gone, he has lost what little stake of money that he had, and now he has nothing at all; and some other settler has secured the benefit of his work and sacrifice. In a great many cases the trouble is due entirely to officers of the department. In one particular district in my constituency a large number of soldier settlers were brought from the eastern part of the country, from Ontario mostly, men who had never worked on the land before and who knew little or nothing about farming, and they were placed in a heavy bush district where an experienced farmer would never have located at all. Those men were placed there because the land was homestead land. It was a long distance from the railway, and contained very heavy bush that had to be cleared. A great many of these men had been wounded overseas and were seriously impaired physically, and were not at all in a position to clear that heavy bush. When I go through that district I find that these men are living under the hardest possible conditions. Most of them are young married men, raising families, and making an effort to get along, but the district is so poor that there is no possible chance of their making anything but a bare living. They can never pay off their indebtedness, and in the last analysis there is bound to be a loss to the country. In this particular case the land was homestead land. I want to point that by the time they are able to prove up and clear sufficient land, it will cost them a good deal more than ordinary land near the town could be bought for.

Mr. ROBB: How does my hon. friend propose to revalue homestead land?

Mr. CAMPBELL: In these particular cases there is no revaluation of the land necessary. I am trying to show that the trouble in the first place was due to officers of the department, and that something is due these men. With the small amount of stock and implements they have, the only thing I can suggest to the government is to wipe off their indebtedness entirely. That is the only way these men can hope to remain on the land. They cannot possibly pay for it. The acreages are small, and while the question of ownership of the land is not involved, I submit that the land itself is of practically no value I believe with regard to most of these quarter sections that I refer to, that if they were thrown on the market, they would not sell for $500 apiece; in fact, I do not know that they could be sold at all.

Let me point out another phase. Two years ago a branch line bill was submitted to this House and passed by this House, but it was turned down by the Senate. Now that particular branch line was supposed to serve a district where there are a large number of soldier settlers located, men who were brought there by officers of the board and located on the land on the definite promise that this branch line was to be constructed. Just a few days after this branch line was turned down by the Senate, I understand, the Canadian Pacific Railway let a contract to run a branch line through the same district, but about fifteen or eighteen miles farther west, where it could not possibly serve these soldier settlers. They are in a position to-day where they cannot now and probably never will secure railway accommodation. They are trying to get along under the hardest possible conditions, but conditions that, as I see them, they cannot possibly overcome. There is no possible chance of their making good with the liabilities that they have. In cases like that I think there is nothing the department can do but wipe off the whole indebtedness, because eventually the country must accept a great loss in any case. The machinery and stock that these men have has depreciated to such an extent that it is now worth very little. It is possible in the prairies to-day to buy a fairly good horse for $30, and a milch cow which when these men settled there would be worth from $75 to $80, is to-day worth not more than $25. So the government must face a loss anyhow.

I think the government is responsible in another way. Let me point out that the drastic reduction in the value of these lands was due primarily to the sudden deflation of

the currency that was brought about in 1920. That was really responsible for the deflation in the values of land and stock. Now the government must accept some responsibility for that. It was part of the governmental policy, or if it was not, at any rate the government adopted a passive attitude towards it and permitted it to happen. So there again the government must in the last analysis accept a good deal of the responsibility.

I appreciate the position of the minister. I know there are a great many difficulties in the way, that re-appraisal will cost a good deal and will take considerable time; but I submit it is the only way in which this question can be definitely settled, and that a minor reduction such as is proposed in this bill is only prolonging the agony; It is not really dealing with the question at all. I do not want the minister to think I am opposing the bill. I appreciate the fact that the government has given the men this amount of reduction. In a good many cases it will help materially, but I think the minister should take into consideration all these various phases of the question and before long undertake and complete a revaluation of all these holdings with a view to bringing them down to the present values of land and stock.

Mr. NEILL: Before the minister replies, I would like to dissociate myself--and I rather think there are others who would like to do the same—from the extravagant language used by the hon. member for East Calgary (Mr. Irvine) when he told the House that this measure is but a gesture and a sham. If it is allowed to go on record that the House or members on this side of the House were of that opinion, the Minister of Finance would perhaps be justified in saying: "Well, if it is only a sham and a gesture, I will withdraw the bill and save $5,000,000." I think we shall find that it is anything but a sham and a gesture when we come to look at the aggregate cost of this reduction on the books of the treasury.

As far as I am concerned I am glad to get at least what this measure proposes. I would feel very much embarrassed if I had to go home to my soldier constituents and say to them that we were offered a rebate of $5,000,000 but that owing to extravagant and unjustified language used in this House we got nothing at all. While the reduction is not as large as I would like—I shall not go into that matter again—it is some measure of assistance at least. If I owed $500 on stock, and I got a rebate of $200, I should consider that as something better than a sham, something more than a gesture.

[Mr. Campbell.]

I would like to ask a question on a point which is not quite clear to me. Section 1 says that this amount, whatever the man is found to be entitled to, shall be deducted from his indebtedness if he has not repaid his indebtedness to the board. Take the case of a man or his wife who comes into a little legacy—that is the only way he would be able to repay his indebtedness—and we will suppose he pays off with the legacy his indebtedness on his stock, but has not paid off his land indebtedness. Will he be allowed to apply this reduction on the stock to what he now owes on the land?

Mr. ROBB: I would not like to commit myself on that without looking carefully into it. That might involve the possibility of an interpretation that would include those who had sold out altogether and left the land.

Mr. NEILL: I am asking if it would apply in the case of a man who had paid off his indebtedness on his stock, but who still owed on the land?

Mr. ROBB: It would depend whether he was on the land or not. The bill is clear that he must be on the land.

Mr. NEILL: Yes, the act calls for that. It says it shall not apply to a man who has repaid his indebtedness or who has abandoned his land. But what I want to have made clear is whether a settler shall be entitled to apply this reduction to what he owes on the land—if, for instance, he has come into a little legacy and has paid off his indebtedness on his stock. I think he should be entitled to deduct that payment on account of stock reduction from what he now owes on the land.

Mr. SPEAKMAN: I think that point is quite covered in the bill. Before 1922 the lands, it is true, were on a differential basis. There were specific loans on stock and specific loans on land. In the amendments of 1922 all the loans made up to that time, which would include all the loans made for live stock, which would come under this act, were consolidated into one loan, which would amount to a new loan being issued which would cover all the indebtedness in October, 1922. I do not think there can be any doubt this would apply to any indebtedness as the stock loan would be merely a portion of the whole loan as consolidated in 1922.

Mr. ROBB: It seems to me that in the interpretation of the act we might very safely leave this in the hands of the Soldier

Settlement Board. They are sympathetic to the settlers as they are soldiers themselves, and I do not think any good purpose can be served by continuing the debate.

Mr. WARD: Since I spoke a few moments ago I find a letter in my file which is a fair criterion of many cases in the northern part of Manitoba. This gentleman has written me several letters. He says:

I am taking the liberty of writing to you again. I am given to understand by the Free Press newspaper that there is to be no revaluation on land. My payments will amount to $371 and taxes $75 next year which is impossible to pay. (Farm bought at $4,000). The most it is possible to pay is $200 including taxes. The quarter adjoining mine was sold for $1,200 last year, and if I cannot get mine at that price I will have to leave it as it is impossible for a man to stay on a farm and not get enough to eat. At the present time the main part of my crop is under water owing to the recent heavy rains. I wish you would see into the matter and let me have a reply as soon as possible. Hoping this is not causing you too much trouble.

And he says that is the value prevailing in the district. I think that is a fair description of the situation all through northern Manitoba. I have often made the statement that if a physical revaluation were made by practical men it would be found that the real value would not be over thirty per cent of the original price paid. I would like to draw the attention of the minister to the fact that in making these protests which we have made for revaluation we are backed up by resolutions passed by each of the prairie province governments in the three successive years. We have unanimous resolutions passed by the union of municipalities of the three prairie provinces, and we have supporting us the unanimous resolutions passed by each of the conventions held in each of the last three years by the farmers' organizations in the several prairie provinces, besides thousands of other organizations throughout those provinces which have been passing such resolutions.

Mr. IRVINE: What is the use of making all these speeches about these matters when the hon. member for Comox Alberni is perfectly satisfied?

Mr. WARD: I do not think the hon. member for East Calgary is quite fair to the hon. member for Comox Alberni. I do not think the hon. member for Comox Alberni is satisfied by any means.

Mr. IRVINE: Why does he not say so?

Mr. WARD: I think he is just as emphatic as I am in his feeling that revaluation should take place. I will make a suggestion to the minister that he should add to this bill a clause providing that the Soldier Settlement Board may, from the time of the passing of this bill henceforth, take into consideration revaluation in certain sections of the country. I will be almost afraid to go back to my constituents without some such clause in this bill.

Mr. PRITCHARD: I would like to know from the minister what he proposes to do with those men who have to replace all their stock, who have lost all the little capital they put in their land and now they have no stock from which to get any recompense. What are you going to do with them?

Mr. BEAUBIEN: I sympathize a great deal with the minister in reference to this legislation, because it is not an easy matter to give the people immediately everything they want or everything they should have. I would like to suggest to the minister that his officers take notice of special districts or particular districts where a man has settled on land that is unsuitable for agriculture, and that in such cases there should be a revaluation of the land as well as a revaluation of stock and machinery. The men placed on land in a great many districts in the eastern part of Manitoba, even if you wipe off everything they owe on stock and machinery, cannot make a success of it. I know the minister has difficulties, and I sympathize with him. I do not agree with what the hon. member for East Calgary says—that it is a sham. However, we are getting something, although we are not getting everything we want, and I hope the measure will go through.

Mr. IRVINE: My hon. friend is doing a lot of talking.

Mr. BEAUBIEN: I think the hon. member for East Calgary has done more talking than anybody else, and if I have the permission to make a few remarks I would still urge upon the minister that the board should make a special study of any special district such as I have referred to. I agree with my hon. friend from Lisgar (Mr. Brown) in his statements, except where he said he was living in the best farming district of Manitoba. I do not agree with that, but I subscribe to everything else he said.

Mr. LEADER: I wish to support this bill before the House, believing as I do that it will give some measure of relief. It does not go far enough, but I understand that we have to get this or nothing. I support those hon. members who advocate a revaluation of the soldier's lands. I believe that would afford a most permanent measure of relief. We

have in this country an immigration policy costing millions of dollars. At the same time we are allowing many of our returned men to forsake their country. Let me give an illustration. In my district a returned man purchased a quarter section of land for $35 an acre. After trying to farm it for one or two years he gave up the job and drifted into the city. That land is still vacant, and the board is offering it for sale for $15 an acre with no takers. I understand this bill does not affect the man who has abandoned his land and quit. I would like to see an invitation sent forward to the soldiers who abandoned their land, who could not make good on the land, under the conditions existing at that time, inviting them back to the land, so that they would be able to accepts the benefits provided under this bill. If the board decides to go on and revalue the lands afterwards, they will be able to have their land revalued, and perhaps they will be willing to come back and be reinstated. The result would be that they would become good citizens of the country. When the bill was up before I mentioned the fact that some municipalities in the country, especially in Manitoba, and more particularly in my own riding, are working under a handicap in the fact that many of the men have abandoned their lands and those lands revert back to the crown and are exempt from taxation. Hon. members can understand that where the municipalities have built roads and schools, the burden falls on the settlers who are left there to maintain those roads and institutions; so that I am going to ask the government now if they will consider in the very near future the taxation for local improvements of soldier's lands on which they have advanced money. I would urge upon them that during the recess they undertake to give this matter serious consideration and afford a measure of relief to those municipalities who have been handicapped by reason of the soldier's settlement lands reverting to the Crown.

Mr. McMASTER: I add my support to the statement made by my hon. friend from Portage la Prairie (Mr. Leader). In my own county, which is a very small one, I know the municipalities have found that they are very much hampered by having to lose taxes on properties that belonged to certain soldiers which have been abandoned by them, with the taxes thereon unpaid.

Mr. KNOX: I had not intended to take any part in this discussion because I thought it had been fully discussed on a former occasion. But the suggestion of the hon. member for Portage la Prairie (Mr. Leader) in regard to taxation of these abandoned lands is a very important matter just now. In some localities I know there are school districts which have great difficulty in carrying on owing to lack of those taxes. I might say, as a member of the special committee which considered this matter and brought in the report, that we gave this question every consideration and we still stand by the report brought in. At the same time, I do not want to say anything that would in any way endanger the passing of this measure which we have before the House at present. There is also a danger that if we did ask for anything more and did get it through this House, it would not finally find its way any further. At the same time, I would ask the government to consider the suggestion of having officials of the department go into the matter further, because I am convinced that eventually, before the matter is finally concluded, a revaluation will have to take place.

Mr. STEEDSMAN: Not having been in this House when the matter was under discussion before, I should like to add my weight to what has been said by hon. members around me with regard to revaluation. I should like it to be clearly understood that I am not opposing the passing of this measure. Like other hon. gentlemen—all except perhaps the one who has been mentioned—we are extremely grateful to the government for this measure of relief. If I had known that this discussion was coming on this morning, I would have had with me some of the letters which I have in my desk upstairs with regard to land revaluation. It was quite natural, of course, that we should get many letters from returned men complaining of their circumstances, but I have letters outlining the actual conditions under which those men are labouring and suffering, and I am quite sure that after having read those letters the committee would understand that many of those cases are hopeless and it is absolutely necessary that land revaluation should take place. I want to support very heartily the suggestion of the hon. member for Comox-Alberni (Mr. Neill) who brought this matter up first and to urge upon the government that, if we are to retain these men as settlers, something in the way of revaluation of land must take place.

Mr. SHAW: I cannot allow this occasion to pass without reiterating the opinion I have expressed on numerous occasions in this House previously. This problem of revaluation in regard to both the land and live stock of soldiers is one which invited the very serious attention of the House. The committee of

last year, after a careful analysis of the situation and after listening to the officers of the department, came to the conclusion that a revaluation of sixty and forty per cent on live stock was the proper basis on which to start. The minister, in the legislation proposed, has reduced those figures, for what reason we are not told, to forty and twenty per cent. I think the minister should have adopted the committee's figures in the matter. The committee had some further recommendations in connection with revaluation. I did not concur in the method of revaluation proposed by the committee, but I think this is a pressing problem. Revaluation of land is something that must be done. It is going to be done, why not do it now? Why not provide the machinery now to do it, and not wait until calamity is added to calamity, until abandonment succeeds abandonment, before parliament takes action? I am going to support this measure, but I am going to support it only as a partial measure. It does not solve the problem. We are going to be face to face with it for years to come, until we actually face it squarely and provide the necessary machinery for the revaluatoin of the land in order that the soldiers may continue to exist on lands purchased from the government.

Mr. STEWART (Humboldt): In extending the work of the committee at this time, we have not the privilege that we on this side of the House would use if the rules of the House so permitted. If we could have put into an amendment the advice and suggestions we are offering now, I am sure every one of us would have been glad to have that done and to have the matter settled by a vote. Particularly, as we note the empty benches that are opposite to us and the full benches on this side of the House, that settlement would have been highly satisfactory to us. But it is not within our power, and I hope the minister is in a receptive mood for the suggestions and advice offered at this time. I am wholly in accord with those who state that we do not want to defeat the bill that is offered by the minister, but we would like to see it amended. We do not think it goes far enough even as regards reductions on live stock. The committee recommended that the reduction on live stock should be sixty and forty per cent. As regards land, those of us who know the conditions of settlers in western Canada, know it is an actual fact that, in some districts at least, there are settlers endeavouring to meet their payments on the land who will find themselves, in the long run, wholly unable to do so and will eventually have to abandon that land. We the people of this country will have to shoulder the loss in the end. If we could have persuaded the minister to amend the bill so that the loss would be taken now in cases like that and the soldier be put into a position whereby he might hope to make a success, we should have been glad to have him do that, although I am forced to admit I do not think it would be possible in some cases for soldiers to make good settlers on lands on which they are now located and provision should be made for the removal of them from such land and the settling of them in better districts on more suitable holdings. These comments that have been made are made wholly because we realize the situation in which many of our friends the returned soldiers largely find themselves at the present time. We know something will have to be done eventually. I agree with the statement made in this debate that no set amount should be placed in the bill for reducing the price of land. That should be turned over, perhaps, to a board, as the resolution, I think, of the Great War Veterans themselves asked.

Mr. POWER: Is it not the opinion of ninety per cent of hon. members directly opposite that the land should be given free altogether to the returned soldier?

Mr. STEWART (Humboldt): I do not think I would agree to that.

Mr. POWER: They will never be satisfied until it is.

Mr. STEWART (Humboldt): There are soldier settlers in my constituency who are quite well satisfied with the land they have taken and the price they are paying for it. But there are a goodly number who are not satisfied with the price they are forced to pay for their land. Now that they are working it and see the returns they can get from the land, they realize that they are being asked to pay too much. Perhaps, rather than lose the equity which they have in that land, they will struggle along. Some of them will meet their payments, but it will be an injustice to them. Others will fail eventually, and we as a country will have to shoulder the loss. Would it not be better for us to do that now?

Mr. ROBB: When the resolution was before the House some weeks ago, it was brought on early in the evening and we debated it until well on towards midnight. This morning we started fairly early at this legislation; it is now approaching one o'clock and we are still discussing it. All I have to say briefly is that if the legislation does not go through.

the responsibility will not be upon the government. When the matter was up before, I think, I made fairly clear the policy of the government as regards revaluation. I should like to add that already we have given instructions to officials of the Soldier Settlement Board to look into certain districts. I am convinced that in some sections of Canada too much was paid for this land, but that is not at all universal. The records of the department go to show that most of this land has been well purchased. Some of it has been sold at a profit. I am particularly impressed with the situation as represented by the hon. member for Dauphin (Mr. Ward). I think that if there is one section of Canada where apparently the soldiers were not well used, where the valuators were favouring the seller rather than the purchaser, it was that district.

Mr. BANCROFT: Will the minister not add Selkirk to that?

Mr. ROBB: Probably Selkirk might be in the same position. I think the valuators were the same. But I am not sure that it is in the best interest of Canada for us to go into the revaluation of soldier settler lands as a general scheme. What are the conditions of the purchase of this land? We have all the records in the department. They know in the department where this land was acquired. A good deal of it was homestead land, a good deal of it was crown land bought at the prevailing price for crown land, which was not a high price, but a low price. Out of the total of 25,000, some 13,000 were sold outright. But hon. gentlemen must remember from whom the land was bought. They bought from their fathers, brothers and sisters, members of the family; and because the government was the real purchaser, high prices were paid. It is well to reflect on these conditions before undertaking any general revaluation of soldier lands. We must have regard to all the taxpayers. We must consider not only the 25,000 soldiers or so who settled on the land but we must keep in mind the interests of the other 475,000 soldiers who did not go on the land. Under all the circumstances, I think we are giving a pretty fair measure of relief. I again promise my hon. friend from Dauphin (Mr. Ward) and my hon. friend from Selkirk (Mr. Bancroft), as well as the hon. member for Comox-Alberni (Mr. Neill), that their representations will be submitted to the board. Indeed, I shall represent matters to the board myself and have a report made next session. For the present, having devoted considerable time to this bill, hon. gentlemen might allow it to pass.

[Mr. Robb.]

Mr. LEADER: Would the minister consider the question of some relief in the matter of the taxation of abandoned lands?

Mr. ROBB: We have a record of that, but I would point out that the municipalities are suffering not on account of the government alone. There are a lot of people in that part of the country who are not paying their taxes.

Mr. FORKE: But in those cases the tax still remains a charge against the land.

Mr. ROBB: And so it does in this case.

Mr. FORKE: I do not like to contradict the minister, but I know he is wrong.

Mr. ROBB: I have a memorandum from the board to the effect that they are doing their best to help the municipalities to collect the taxes, and sometimes they forego their own in order that the municipalities may get theirs. I do think that so far as school taxes are concerned the crown should not stand too closely on its rights.

Mr. WARNER: Did I understand the minister to say that the taxes unpaid were a charge against the soldier settlement land, as in the case of the private owner?

Mr. ROBB: I think so.

Mr. CRERAR: Would the new purchaser of land a year or two hence, acquiring it from the board, assume the taxes?

Mr. ROBB: If the land were sold at a profit. I shall have the matter looked into.

Mr. FORKE: Every year I am honoured with an invitation to attend the union of Manitoba municipalities, and on every occasion this is a lively subject. I shall be careful to get the exact words of the minister to read to them the next time, so that they may know that he has promised to look into the matter.

Mr. ROBB: And my hon. friend might remind them that there are a good many people in those municipalities who are not paying their taxes.

Mr. KNOX: I would point out to the minister that in the case of lands privately owned the taxes can be realized by the municipality; but this is not so with crown lands.

Mr. SPENCER: How much will this relief to the soldiers amount to in the aggregate?

Mr. ROBB: I have already given all those figures to Hansard. My hon. friend will find them in a previous debate of a few weeks ago

Mr. SHAW: On the third reading of this bill, will the minister consider an amendment for the purpose of empowering the minister upon the recommendation of the chairman of the board, to transfer soldier settlers from lands that are considered wholly unsuitable for agricultural purposes to other available lands, and to transfer the debt?

Mr. ROBB: Without making any commitment I promise to take the matter into consideration.

Bill reported.

Mr. ROBB: In view of the suggestion of my hon. friend (Mr. Shaw) I would ask that the third reading stand until later in the day.

RURAL CREDITS

FEDERAL ASSISTANCE TO AGRICULTURE—LONG TERM LOANS TO FARMERS

The House resumed, from June 17, consideration in committee of the following proposed resolution—Hon. Mr. Robb—Mr. Gordon in the chair:

That it is expedient to introduce a measure to provide:

(a) that the Governor in Council may authorize advances to any one or more of the provincial governments for the purpose of assisting agriculture by enabling the provinces to make long term loans to farmers;

(b) that such advances shall be secured by the issue and delivery to the Dominion of bonds of the provinces;

(c) that the aggregate of advances to be made by the Dominion shall not exceed ten million dollars ($10,000,000).

Mr. IRVINE: How does the minister propose to raise this $10,000,000?

Mr. ROBB: That will be made clear when the bill is presented. It will be through the sale of bonds or an advance of money from the department if we have it.

Mr. CALDWELL: I presume that this legislation is intended to supplement the present farm loan acts of the different provinces. I would point out however that there are provinces that have no farm loan acts or, if they have such acts, they will not be able to take advantage of this measure.

Mr. ROBB: That will not make any difference.

Mr. CALDWELL: I should like the minister to consider, when his bill is before the House, the advisability of making provision for rural credits in those provinces where the system is not in force, for these provinces certainly need such legislation much more than those parts of the Dominion which have rural credits legislation in force.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 237 to authorize advances to assist agriculture by providing for long-term farm loans.

Motion agreed to and bill read the first time.

AUSTRALIAN TREATY

Hon. J. A. ROBB (Acting 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 respecting trade relations with Australia, and to provide,—

1. That the Minister of Finance be authorized to enter into an agreement with the government of the Commonwealth of Australia under which Australia shall grant to goods the produce or manufacture of Canada when imported into Australia the benefits of the reduced rates of duty set out in schedule I to this resolution, and Canada may in return therefor grant to goods the produce or manufacture of Australia when imported direct into Canada the benefits of the rates of customs duty set out in schedule II to this resolution;

2. That after the said agreement is brought into force and so long as it remains in force, goods set out in schedule II to this resolution, the produce or manufacture of the Commonwealth of Australia, which are imported direct into Canada shall be admitted to Canada at the rates of duties set out in the said schedule;

3. That the tariff concessions authorized by this resolution to be extended to goods the produce or manufacture of Australia shall be so extended on and after a day to be fixed by proclamation of the Governor in Council, which proclamation shall be published in the Canada Gazette;

4. That subject to the provisions of The Customs Tariff, 1907, the Governor in Council may, by order in council, extend the said advantages to goods the produce or manufacture of any British country;

5. That the Governor in Council may make such orders and regulations as are deemed necessary to carry out the provisions and intent of this resolution and of the said agreement and may, upon giving six months' notice to the government of the Commonwealth of Australia of his intention so to do, order and direct that the tariff concessions extended to Australia by this resolution, shall cease and determine, whereupon they shall cease and determine accordingly;

6. That the operation of all laws inconsistent with the giving to the provisions of the said agreement and of this resolution their full effect shall from time to time be suspended to the extent of such inconsistency.

Schedule I

(A) British preferential tariff concessions by Australia to Canada:

Australia will grant to the undermentioned goods, the produce or manufacture of Canada, when imported into Australia, the rates of duty for the time being applicable to goods to which the British preferential tariff in the customs tariff 1921-24 applies, viz:

Australian Tariff Item	Articles	British Preferential Tariff
51	Fish, viz.:—	
	(B) Fresh, smoked or dried (but not salted), or preserved by cold process	1d.
	(C) Preserved in tins or other airtight vessels including the weight of liquid contents.....Per pound	1d.
	(D) Potted or concentrated, including extracts of and caviare.....ad. val.	25 per cent
	(E) N.E.I.....Per cwt.	5s.
	(F) Oysters, fresh, in the shell.....Per cwt.	2s.
113	Gloves, (except of rubber), viz.:—	
	(B) Gloves of textile.....ad. val.	10 per cent
169	Machinery, viz.:—	
	(A) Linotype, monotype, monoline, and other type composing machines, printing machines and presses; typewriters (including covers); machinery used exclusively for and in the actual process of electrotyping and stereotyping; aluminium rotary graining machines; adding and computing machines and all attachments.....ad. val.	Free
	(B) Cash registers.....ad. val	Free
334	Paper, viz.:—	
	(C) (1) News printing, not glazed, mill-glazed or coated, in rolls not less than 10 inches in width or in sheets not less than 20 inches by 25 inches or its equivalent.....Per ton	Free
	(2) Printing, n.e.i., (glazed, unglazed, mill-glazed or coated) not ruled or printed in any way in rolls not less than 10 inches in width or in sheets not less than 20 inches by 25 inches or its equivalent.....Per ton	Free
	(3) Printing, n.e.i.....ad. val.	15 per cent.
	(F) Writing and typewriting paper (plain), not including duplicating.	
	(1) In sheets not less than 16 x 13 inches.....ad. val.	5 per cent.
	Deferred duty.....ad. val.	20 per cent.

(B) Intermediate Tariff Concessions by Australia to Canada:

Australia will grant to the undermentioned goods, the produce or manufacture of Canada, when imported into Australia, the rates of duty for the time being applicable to goods to which the intermediate tariff in the Customs Tariff 1921-24 applies, viz:—

Australian Tariff Item	Articles	Intermediate Tariff
110	Apparel, articles of, viz.:—	
	(C) Corsets.....ad. val.	40 per cent.
152	(A) Iron and steel tubes or pipes (except riveted, cast, close jointed or cycle tubes or pipes) not more than 3 inches internal diameter; iron and steel boiler tubes.....ad. val.	5 per cent.
	Deferred duty.....ad. val.	35 per cent.
328	Goloshes, rubbers and boots and shoes and plimsolls.....per pair.	1s. 9d.
	Or.....ad. val.	30 per cent.
359	Vehicle parts, viz:—	
	(D) Parts of vehicles with self-contained power, propelled by petrol, steam, electricity, oil, or alcohol, n.e.i., whether incorporated in the complete vehicle or separate, viz., (4) Chassis, but not including rubber tires:—	
	(a) Unassembled.....ad. val.	7½ per cent.
	(b) Assembled.....ad. val.	10 per cent.
	(F) Vehicle parts, n.e.i., including undergear (inclusive of axles, springs and arms), axles, n.e.i., springs, hoods, wheels, n.e.i. and bodies, n.e.i.....ad. val.	50 per cent.

SCHEDULE II

Subject to the provisions of the Customs Tariff Act, 1907, there may be granted to the undermentioned goods the produce or manufacture of Australia when imported direct into Canada, the rates of customs duty hereinafter set out, viz:—

Tariff Item	Articles	Tariff Rate
7	Meats, fresh, n.o.p., per pound	½ cent
8	Canned meats, canned poultry and game; extracts of meats and fluid beef not medicated, and soups of all kinds	15 per cent
13	Lard, lard compound and similar substances; cottolene and animal stearine of all kinds, n.o.p.	Free
14	Tallow	10 per cent
15	Beeswax	Free
16	Eggs	Free
17	Cheese	Free
18	Butter, per pound	1 cent
86	Tomatoes and other vegetables, including corn and baked beans, in cans or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty	Free
93	Apples, dried, desiccated or evaporated, and other dried, desiccated or evaporated fruits, n.o.p.	10 per cent
97	Pears, quinces, apricots and nectarines, n.o.p., per one hundred pounds	25 cents
99c	Raisins and dried currants	Free
105	Fruits in air-tight cans, or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty, per pound	½ cent
108	Honey in the comb or otherwise, and imitations thereof, per pound	1 cent
135	Sugar above number sixteen Dutch standard in colour when imported by a recognized sugar refiner, for refining purposes only, under regulations by the Minister of Customs and Excise; and sugar, n.o.p., not above number sixteen Dutch standard in colour, sugar drainings or pumpings drained in transit, melado or concentrated melado, tank bottoms, sugar concrete, and molasses testing over fifty-six degrees and not exceeding seventy-six degrees, when not exceeding seventy-six degrees of polarization, per one hundred pounds	35·00 cents
	when exceeding seventy-six degrees but not exceeding seventy-seven degrees, per one hundred pounds	35·50 cents
	when exceeding seventy-seven degrees but not exceeding seventy-eight degrees, per one hundred pounds	36·00 cents
	when exceeding seventy-eight degrees but not exceeding seventy-nine degrees, per one hundred pounds	36·50 cents
	when exceeding seventy-nine degrees but not exceeding eighty degrees, per one hundred pounds	37·00 cents
	when exceeding eighty degrees but not exceeding eighty-one degrees, per one hundred pounds	37·50 cents
	when exceeding eighty-one degrees but not exceeding eighty-two degrees, per one hundred pounds	38·00 cents
	when exceeding eighty-two degrees but not exceeding eighty-three degrees, per one hundred pounds	38·50 cents
	when exceeding eighty-three degrees but not exceeding eighty-four degrees, per one hundred pounds	39·00 cents
	when exceeding eighty-four degrees but not exceeding eighty-five degrees, per one hundred pounds	39·50 cents
	when exceeding eighty-five degrees but not exceeding eighty-six degrees, per one hundred pounds	40·00 cents
	when exceeding eighty-six degrees but not exceeding eighty-seven degrees, per one hundred pounds	40·50 cents
	when exceeding eighty-seven degrees but not exceeding eighty-eight degrees, per one hundred pounds	41·00 cents
	when exceeding eighty-eight degrees but not exceeding eighty-nine degrees, per one hundred pounds	41·50 cents
	when exceeding eighty-nine degrees but not exceeding ninety degrees, per one hundred pounds	42·00 cents
	when exceeding ninety degrees but not exceeding ninety-one degrees, per one hundred pounds	42·50 cents
	when exceeding ninety-one degrees but not exceeding ninety-two degrees, per one hundred pounds	43·00 cents
	when exceeding ninety-two degrees but not exceeding ninety-three degrees, per one hundred pounds	43·50 cents
	when exceeding ninety-three degrees but not exceeding ninety-four degrees, per one hundred pounds	44·00 cents
	when exceeding ninety-four degrees but not exceeding ninety-five degrees, per one hundred pounds	44·50 cents
	when exceeding ninety-five degrees but not exceeding ninety-six degrees, per one hundred pounds	45·00 cents
	when exceeding ninety-six degrees but not exceeding ninety-seven degrees, per one hundred pounds	45·50 cents

SCHEDULE II—*Concluded*

Tariff Item	Articles	Tariff Rate
	when exceeding ninety-seven degrees but not exceeding ninety-eight degrees, per one hundred pounds	46·00 cents
	over ninety-eight degrees, per one hundred pounds	46·50 cents
232	Glue, liquid, powdered or sheet and mucilage, gelatine, casein, adhesive paste and isinglass	12½ per cent
264	Essential oils, n.o.p., including bay oil, otto of limes and peppermint oil	Free
781	Fruit pulp, not sweetened, when imported by manufacturers of jams or preserves for use only in their own factories in the manufacture of jams or preserves	Free
782	Eucalyptus oil	Free

Provided that the proportionate difference between the rates set out opposite the items above enumerated in this schedule and the general tariff rates under the said items respectively shall at no time be less than it is at the time when the said above-mentioned rates come into force.

Provided further that any of the goods above enumerated in this schedule the produce or manufacture of Australia imported direct into Canada shall be entitled to the benefit of any reduction in duties or preference granted in respect of like goods imported from any British country.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

On paragraph 1—Authorizing minister to enter into trade agreement with Australia.

The CHAIRMAN: Shall paragraph 1 carry?

Mr. SUTHERLAND: Surely, Mr. Chairman, we are to have some explanation from the minister with respect to this treaty before we pass the resolution?

Mr. ROBB: Mr. Chairman, this treaty is not as wide as the government of Canada would desire. I want to say frankly to hon. members that in opening negotiations with Australia we offered the full British preference on all our columns in return for the same treatment from Australia, but we were unable to obtain any wider measure than that now presented to the House.

It may be interesting to hon. members to be reminded that we in this parliament are reaping what was sown by others many years ago. For years Canada has been trying to negotiate a friendly trade agreement with our sister dominion of Australia. Away back in 1889 Hon. Mackenzie Bowell, who was then Minister of Customs, made a trip to Australia and New Zealand in an effort to effect better trade arrangements, his mission being the outcome of certain legislation introduced by his government earlier in the year. At this session we have devoted considerable time in a special committee composed of members of all parties to the study of ocean freight rates, and comment was general because the government in their desire to help the export of Canadian products had suggested a subsidy. Well now, this method of helping to find markets for our products is nothing new. I find from the records that away back in 1889 the government, at a period when one dollar would go about as far as three dollars to-day, by resolution offered a subsidy of £25,000 for steamship service between Canada and Australia. Messrs. Hunter, Swan & Company, of Newcastle-on-Tyne, were prepared to accept the contract, and accordingly Hon. Mackenzie Bowell was sent on a mission to Australia to negotiate a trade agreement and to provide for a better transportation system and a better system of cable communication. His mission was without result. It was not the fault of the Canadian government; their efforts failed simply because the people of Australia were not prepared to open negotiations. In 1897, Right Hon. Mr. Fielding, then Minister of Finance, introduced the preferential system in our customs tariff, and one of the states of Australia—they had not yet become federated into a commonwealth—became entitled to the British preference, but enjoyed it for only a short period, because of the high tariff policy that the commonwealth later put in force. In 1906 Mr. Deakin, who was then Prime Minister of Australia, introduced into the Australian House of Commons a measure for preferential treatment. In the course of the discussion that followed he was asked why it was that Canada was not mentioned in the proposed legislation, and he replied that it was because his government had received no communications from the government of Canada with a view to closer trade relations. Sir Wilfrid Laurier, then Prime Minister, immediately cabled to Mr. Deakin and renewed the proposition that had been made by the Hon. Mackenzie Bowell in 1889, but Mr. Deakin's government was defeated and nothing came of the proposal. That has been the history of all the negotiations for many years; no

sooner would we reach an agreement when the Australian government would be defeated. In 1913 Sir George Foster went to Australia to discuss a trade treaty, and he reported to the Prime Minister of the day, Sir Robert Borden, that he had hopes of effecting more favourable trade relations with our sister dominion. But the war came on in 1914 and everything was left in abeyance. The soldiers of Australia and the soldiers of Canada met and fought together on the fields of Flanders, and I believe that their close association during the war has created a more friendly feeling between the two great dominions. We had an invitation from Mr. Hughes, who was the Prime Minister of Australia, to negotiate a trade treaty with that country. Mr. Hughes sent Senator Pearce, a member of his government, to Canada in 1922. Senator Pearce had been attending a conference in Washington, and following that conference he came here and submitted two propositions to Canada, neither of which were acceptable to the Canadian people. These proposals were not as wide as we desired and did not offer advantages to Canada on the products we were then marketing in Australia. But that showed the feeling of Australia in the matter; it was the first time Australia had really come to Canada and suggested the negotiation of a trade agreement. Subsequent to Senator Pearce's return to Australia, negotiations were carried on by mail and by cable between the prime ministers of the two countries. The Prime Minister of Canada suggested to the Prime Minister of Australia that the high commissioners of the two countries in London should be asked to conclude the negotiations, but Mr. Hughes declined. In September, 1922, Mr. Hughes extended an invitation to the Prime Minister of Canada to send a minister to Australia to negotiate a trade agreement. Messages were sent to Right Hon. Mr. Fielding, who was then in Geneva, suggesting that he should go down to Australia, but Mr. Fielding was at that time negotiating with France and with Italy and was unable to go. So it came about that I had the honour and the very great pleasure of making the trip to that country in response to the invitation of its Prime Minister, to the end that the negotiation of a trade agreement might be considered. When I reached Australia I found the country on the eve of a general election. History was repeating itself; we were no sooner getting ready to negotiate when a general election was precipitated in that country—where, by the way, they have general elections every three years. I did sit in for some weeks with the tariff board and discussed with them the possibilities of trade with Canada.

Mr. MEIGHEN: Did the hon. member not know about the general election before he left?

Mr. ROBB: Yes, I am glad my right hon. friend reminded me of that. I will be very frank with the committee. When the Prime Minister sent for me to go to his office and discuss with him the matter of going to Australia, I said, "Have you read the morning papers?" The Prime Minister said, "No." "Well," I said, "there is an item in the morning papers which states that there may be a general election in Australia." Well, the reply was that we had had an invitation from Mr. Hughes and that Canada could not very well afford not to accept it. So I started out. The morning I reached Vancouver I had a message from the Prime Minister instructing me to hold myself in readiness to return to Ottawa; that the Australian parliament had dissolved the day before and that a general election was on; and the Prime Minister intimated that he had cabled to Mr. Hughes. Mr. Hughes replied to the Prime Minister that the elections would not in any way interfere with the negotiations, and again renewed his invitation that we should send a minister to Australia. In the face of these conditions, with that statement from the Prime Minister, my right hon. friend himself, had he been prime minister, would have instructed his minister to proceed. After negotiating from away back in 1889 and receiving the first invitation from Australia to go there for the purpose of negotiating a trade agreement, we could not very well decline that invitation.

Mr. MEIGHEN: I suppose the Australian Prime Minister, like the present government, thought he would be returned to power.

Mr. ROBB: Well, I imagine that he did expect to be returned to power.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. ROBB: At one o'clock I had referred to the defeat of the government of which Mr. Hughes was the Prime Minister. Mr Hughes himself was not defeated in that election as a member of the Commonwealth government, but after the election he found himself unable to carry on. There were in that campaign three parties: the party of Mr.

Hughes, known as the Nationalist party; the party led by Dr. Page—who is now Treasurer of the Commonwealth government—known as the Country party; and the Labour party. An arrangement was made whereby Mr. Bruce, who had been the Treasurer of the Commonwealth government, was able to form a government by taking in the Country party and a certain number of representatives of the Nationalist party. But although the government of which Mr. Hughes had been the Prime Minister was defeated, the idea of preferential trade with Canada was not defeated.

Until 1922 Australia had no preferential agreement with any of the British dominions, but early in that year an arrangement was made with South Africa for a very limited preferential trade agreement, and in the same year a limited trade agreement was also effected with the sister dominion of New Zealand. There have always been difficulties in arranging a trade agreement with Australia. That was where Hon. Mackenzie Bowell in 1889 failed; that was where Sir George Foster found difficulties in 1913; that was where the government of Sir Wilfrid Laurier found some difficulties. It was largely because of our own tariff. As hon. gentlemen know, the great exports of Australia are wool and hides. Australia is essentially a wool country. The wool clip in Australia is to Australia what the wheat crop is to Canada. Wool is free in our tariff. Hides are also a large export commodity with the sister dominion of Australia; they also are free in the Canadian tariff. When we opened negotiations, the representatives of the government of Australia, through their tariff board, were most insistent that we should change our tariff policy and place a small duty on wool so as to give them a preference. I pointed out to them, and I believe every hon. gentleman in this House will agree with me, that in a cold country like Canada, to place a duty upon wool was not economically sound.

Mr. EVANS: What about woollen goods?

Mr. ROBB: I will come to that in a moment. I pointed out also that to place a duty on hides would add to the cost of boots and shoes, harness, and in fact of every article that requires leather in its production.

Mr. SUTHERLAND: If it is so important that wool and hides should be on the free list, why should there be a duty of 35 per cent on blankets, and a similar duty on harness?

Mr. ROBB: There is much to be said for that view, and we may meet some day on that question. I pointed out to them, and I believe every hon. gentleman in this House all agree with me, that we offered a considerable preference on manufactured woollens, and I said to our friends in Australia: "You produce the finest wool in the world, you have an abundance of that commodity. You have also an abundance of leather. Why don't you cultivate the Canadian market for your manufactured products of woollen and knitted goods and tweeds?" And they do manufacture in Australia very excellent knitted goods, but their development of tweeds has not been such as they themselves would desire.

I also found down there that they were manufacturing a splendid line of leather belting, and I pointed out to them that there was a market in Canada for leather belting, that there was a preference, and urged that they should consider that feature of it. As I said before, that argument did not appeal very much to them. They said to me: "Mr. Robb, you say our men and your men, our soldiers and your soldiers, fought side by side on the fields of Flanders. They shared with each other all the hardships of the war. You are trying to re-establish your soldiers in Canada, and we are trying to re-establish our soldiers in Australia. You have provided certain legislation for placing soldiers on the land in Canada; we also are providing to place soldiers on the land in Australia. In the Madura district of Australia we are developing an industry that appeals to soldiers. We are growing raisins there, and they are very excellent raisins. Why can't you give more of a preference on raisins?" Hon. members will recall that at that time Australia had been urging the Mother Country to give them a wider preference on raisins, and incidentally may I say that the duty on raisins in the Mother Country has always been considerably higher than the duty in Canada. The Mother Country replied that they thought the duty on raisins was a fair method of collecting revenue, that they had imposed the duty on raisins for revenue purposes.

Sir HENRY DRAYTON: Will my hon. friend say the amount of duty?

Mr. ROBB: I do not recall what the duty was just at that time, but I think it was slightly over two cents a pound, 2¼ cents a pound, I think, but I will come to that in a moment. I suggested to our friends in Australia: Suppose we change our duties and put on the same rate of duty as there is in the Mother Country. But that did not appeal to them; they claimed that they could not compete on that basis in Canada with the California raisin grower, who is much closer,

and they urged that we should give them a preference of three cents a pound on raisins. Well, I looked up the duty charged by the different countries of the world on raisins, and I found that three cents a pound did not appear to be at all out of reason. My hon. friend from West York (Sir Henry Drayton) asked me a moment ago what was the duty in the Mother Country on raisins, and I think I might as well put that on record now.

The present duty on raisins in the United Kingdom—I think the duty was changed under the McKenna tariff—is seven shillings per 112 pounds, and the preferential rate 5s. 10d. These duties work out respectively at $1.52 per 100 pounds for the full duty, and $1.27 preferential. The United States have a duty of two cents a pound on raisins. Argentine has a duty of eight and a quarter cents on raisins, but when placed in large receptacles that duty is five and two-thirds cents a pound. That is the minimum duty in the Argentine. In Newfoundland the duty is just about $3.30 a hundred pounds. Norway has two rates on raisins, maximum $7.31 per hundred pounds, and the minimum $1.83 per hundred pounds. Chile has a duty of ten cents a pound on raisins, Belgiun $6.54 per hundred pounds, on the basis of the franc a little over four cents. Under the proposed duty in Canada they will be free under the British preferential, and three cents a pound under the general tariff.

Mr. GARLAND (Bow River): Could the minister give the committee the retail price for raisins asked in each of the countries?

Mr. ROBB: No, I have not that information.

Mr. GARLAND (Bow River): That would be interesting.

Mr. ROBB: I think the present duty on raisins is about two-thirds of a cent a pound. If hon. gentlemen will refer to Hansard of 1923 they will find that Right Hon. Mr. Fielding made a statement regarding this matter. Some person had asked a question with regard to the production of raisins in Australia, and Mr. Fielding is reported as follows:

> The Australian crop of raisins is considerable and is increasing yearly.

And that is proven by the statistics. It has almost doubled in the last two years.

> And especially in the Madura district and in other parts where returned soldiers have been engaged. They have been producing a splendid quality of raisins in large quantities. There is such a bulk of raisins there now (1923) that some difficulty is being found in marketing them, and as hon. gentlemen may have noticed, they have been urging the British government to give them a preference in this direction. While it is true that in the tariff we are proposing to increase somewhat the duty on raisins, hon. gentlemen have lost sight of the fact that we are making them free in the British preferential list; that is to say, if raisins came from Australia or any other British possession they will enter Canada free.

That is the position to-day. We are removing the duty altogether on raisins from British countries. Australia produced a considerable quantity of raisins. South Africa produced large quantities of raisins. And incidentally I may say that under the new tariff recently introduced in South Africa they are withdrawing some of the preference that we have enjoyed in that market, principally on some agricultural products that we have been sending down there. We have been urging South Africa to give us a wider measure of tariff concessions and we are not without hope that we will succeed when it is brought to the attention of South Africa and that they will come in under this arrangement.

Mr. WOODS: Could the minister tell us the quantity of raisins imported from South Africa into Canada?

Mr. ROBB: I will give that information in committee, if my hon. friend will ask that question later. I want this statement to go on record. We are making some other concessions in this measure as it is presented to parliament to-day that will remove and lighten the cost of living and reduce the cost from the breakfast table without in any way injuring the Canadian trade. We have looked into this very carefully. As the measure was presented to the Australian commonwealth parliament, it was suggested that there would be some changes, some increases, in the Canadian tariff. As Australia was not willing to accept the measure and allow us to issue a proclamation last year, we have thought it better to bring it before parliament as it is, and I think I will be able to convince hon. gentlemen that the breakfast table reductions we have made in the cost of living will not in any way interfere with the industry in Canada. But I am bound to admit that it will to a degree take away some revenue from the department.

Mr. GOOD: What industry has the minister in mind when he speaks of the industry in Canada?

Mr. ROBB: I will come to that in a moment. There are no general increases in the tariff excepting those that I have mentioned.

Sir HENRY DRAYTON: There is just one change, that on raisins.

Mr. ROBB: Yes. Well there is another slight change. We have offered Australia the full benefit of our preferential rate on raw sugars, and we have also promised to Australia that any concessions we may make to other countries on raw sugar will also be extended to the people of Australia. It may take a little time, but I think it is well to put some figures on record, so that the matter will be all cleaned up:

On meats, fresh, not otherwise provided, the agreement rate is ½ cent a pound. Present rates: 2 cents preferential, 2½ cents intermediate and 3 cents general.

And in any case wherever the general tariff has been disturbed we have the same protection against all other countries that we had before.

The estimated decreased revenue on the basis of imports for consumption during the year ended 31st March, 1925, $2,950.

Sir HENRY DRAYTON: Will the minister tell me how he arrives at that?

Mr. ROBB: On the reduction of duty as we are making it, on the basis of the same import.

Sir HENRY DRAYTON: From Australia?

Mr. ROBB: From any British country.

Mr. CHAPLIN: Does the minister anticipate an increase of imports at the lower rate of duty?

Mr. ROBB: I will give hon. members the flow of trade during a period of years and they will judge for themselves.

Mr. COOTE: What tariff is Australia enjoying now? What tariff will we charge Australia? Is it the intermediate preference or the general preference?

Mr. ROBB: Australia comes under the general tariff now.

The imports for consumption during the year ended 31st March, 1925 on these products:

	Lbs.	Values
From Australia..	117,969	13,527
From other countries.. ..	9,245,124	1,370,070
Total..	9,363,093	$1,383,597

Hon. gentlemen will observe this:

9,245,124 pounds during the same period when our total imports from all countries were a little over 9,000,000 our exports were over 37,000,000 pounds.

Now is a country which is exporting four times the amount of their total imports going to be hurt by extending this preference to Australia?

[Mr. Robb.]

On canned meats, canned poultry and game, extracts of meats and fluid beef not medicated, and soups of all kinds. The agreement rate is fifteen per cent, and the present preferential rate 17½ and the general rate 27½, estimated decrease in revenue on the basis of imports for consumption during the year ended 31st March, 1925, $134.

Imports for consumption during the year ended 31st March, 1925:

From Australia..	$ 5,364
From other British countries.. ..	134,925
From other countries..	1,345,587
Total..	$1,485,876

Mr. KENNEDY (Glengarry): And the exports?

Mr. ROBB: I have not the exports of that. I imagine the exports in that line would not be very great.

Lard, lard compound and similar substances; cottolene and animal stearine of all kinds, n.o.p.

Agreement rate per pound, free.

Present rates: Preferential, 1½ cent. Intermediate, 1¾ cent; General, 2 cents.

Estimated reduction in revenue on the basis of imports for consumption during the year ended 31st March, 1925—Nil.

Imports for consumption during the year ended 31st March, 1925:

	Lbs.	Value
From Australia	.....	.....
From British countries	58	$ 8
From other countries..	6,138,500	767,778
Total..	6,138,558	$767,786
Exports for the period to all countries:		
Lard..	10,597,400	$1,681,462
Lard compound and substitutes..	1,849,200	238,787

Mr. FORKE: Would the imports include imports from the United States?

Mr. ROBB: I imagine a goodly part of that would be cottolene. There is no different classification.

Tallow.

Agreement rate, 10 per cent.

Present rates: Preferential, 15 per cent; Intermediate, 17½ per cent; General, 20 per cent.

Estimated decrease in revenue on the basis of imports during the year ended 31st March, 1925—Nil.

Imports for consumption during the year ended 31st March, 1925.

	Lbs.	Value
From British countries..	.....	.....
From other countries..	107,522	$ 9,586
Exports for the same period..	2,210,000	189,439

Beeswax.

Agreement rate, Free.

Present rates: Preferential, 5 per cent; Intermediate, 7½ per cent; General, 10 per cent.

Estimated reduction in revenue on the basis of imports during the year ended 31st March, 1925, Nil.

Imports for consumption during the year ended 31st March, 1925:

	Lbs.	Value
From British countries..	46,416	$15,514
From other countries..	102,857	35,926
Total..	149,273	$51,440

Eggs.
Agreement rate, Free.
Present rates per doz.: Preferential 2 cents; Intermediate, 2½ cents; General, 3 cents.
Estimated reduction in revenue on the basis of imports during the year ended 31st March, 1925, Nil.
Imports for consumption during the year ended 31st March, 1925:

	Doz.	Value
From United Kingdom..	10	$ 52
From Hong Kong..	51,343	12,872
From other countries..	2,643,694	932,895
Total..	2,695,047	$945,819
Exports for the same period to all countries..	2,690,959	$1,000,804

Or in other words, our imports of eggs during that period were only 4,000 dozen over our exports.

Mr. CHAPLIN: The minister says that there is practically no loss of revenue. Suppose this treaty should turn the egg business that is now coming from the United States, to Australia, would there be no reduction in revenue?

Mr. ROBB: There would certainly be a reduction in the cost of living to the Canadian householder. The government would probably get less revenue but we would not be any worse off.

Cheese.
Agreement rate, Free.
Present rates per pound: Preferential, 2 cents; Intermediate, 3 cents; General, 3 cents.
French Treaty rates, 2.70 cents.
Estimated reduction in revenue on the basis of imports during the year ended 31st March, 1925, Nil.
Imports for consumption during the year ended 31st March, 1925:

	Lbs.	Value
From British countries.. ..	3,092,192	$661,754
From other countries..	1,452,293	463,364
Total..	4,544,485	$1,125,118
Exports for the same period to all countries..	126,963,200	24,112,475

Butter per pound.
Agreement rate, 1 cent.
Present rates per pound: Preferential, 3 cent; Intermediate, 4 cents; General, 4 cents.
Estimated reduction in revenue on the basis of imports during the year ended 31st March, 1925, Nil.
Imports for consumption during the year ended 31st March, 1925:

	Lbs.	Value
From New Zealand	162,848	$ 59,579
From other British countries	11,245	3,998
From other countries.. ..	24,248	10,712
Total..	198,341	$74,289
Exports during the same period to all countries. ..	24,501,981	$8,715,962

And New Zealand is four days nearer than Australia.

If you will allow me to make a personal reference, may I pause to say that next to that of the hon. member for South Oxford (Mr. Sutherland), I think I represent the largest dairy constituency in Canada. The census shows more milch cows in that constituency than in most of the other constituencies. I am a little bit selfish like most men. I am here to look after the interests of my constituents, and if I thought this treaty was going to hurt the dairymen of Chateauguay-Huntingdon, I would hesitate to present it to parliament. A country that exports 24,300,000 pounds of butter more than it imports and that exports 122,000,000 pounds of cheese more than it imports is not afraid to compete with any other country in the world.

Mr. CAMPBELL: Would the same argument not apply to all manufactured goods?

Mr. ROBB: We are not discussing that just now.

Mr. FORKE: I was rather astonished to hear the minister say that he would hesitate if it was going to interfere with his constituents.

Mr. ROBB: Just like my hon. friend the hon. member for Brandon, I am looking after my constituents.

Mr. FORKE: What about the rest of us?

Mr. ROBB (Reading):

Tomatoes and other vegetables, including corn and baked beans, in cans or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty. . . . .
Agreement rate—free.
Present rates per pound: Preferential, 1 cent; Intermediate, 1½ cent; General, 1½ cent.
French treaty rate on part of item, 1 cent.
Estimated reduction in revenue on the basis of imports during the year ended 31st March, 1925—nil.
Imported for consumption during the year ended March 31, 1925:

From British countries.. ..	18,911	$ 3,628
From all other countries..	13,589,631	$1,236,988
Total..	13,608,542	$1,240,616
Exports for the same period to all countries..	14,217,665	953,659

Apples, dried, dessicated or evaporated. and other dried, dessicated or evaporated fruits, n.o.p.
Agreement rate, 10 per cent.
Present rates: Preferential, 17½ per cent; Intermediate 22½ per cent; General, 25 per cent.
Estimated decrease in revenue on the basis of imports for the year ended 31st March, 1925—nil.
Imported for consumption during year ended 31st March, 1925:

	Lbs.	Value
From United Kingdom..	69	11
From all other countries.. ..	3,180,942	$311,366
	3,181,011	$311,377
Exports for the same period to all countries..	1,467,789	164,529

I am not sure whether there was any difference in the quality, but for the 3,000,000 pounds odd imported the value was $311,000 odd, while for the 1,000,000 or so exported the

value was $164,000. Possibly the exports were of a higher quality.

Pears, quinces, apricots and nectarines, n.o.p., per one hundred pounds. Agreement rate per 100 pounds, 25 cents.

Present rates per 100 pounds: Preferential, 35 cents; intermediate, 45 cents, general, 50 cents.

Estimated decrease in revenue on the basis of imports for year ended 31st March, 1925—Nil.

Imports for consumption during the year ended 31st March, 1925.

	Pounds	Value
From British countries..	.....	.....
From all other countries.. ..	19,788,997	$887,720

Raisins and dried currants.

Agreement rate—Free.

Present rates per pound: Preferential, ½ cent; intermediate, ⅝ cent; general, ⅜ cent.

Rates that may be brought into force by order in council, per pound: Preferential, free; intermediate, 3 cents; general, 3 cents.

Estimated decrease in revenue on the basis of imports during the year ended 31st March, 1925, $1,630.

From British South Africa, $255.

We estimate an increase of revenue of just a little over $1,000,000.

Fruits in air-tight cans, or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty, per pound.

Agreement rate per pound, ½ cent.

Present rates per pound: Preferential, 1⅜ cents; intermediate, 2½ cents; general, 2½ cents.

French treaty rates: Intermediate, 2 cents.

Estimated decrease in revenue on the basis of imports during the year ended 31st March, 1925, $910.

Imported for consumption during the year ended 31st March, 1925—

	Pounds	Value
From United Kingdom..	85,143	$ 8,323
From Australia..	45,500	4,080
From British South Africa.. ..	128,400	8,974
From all other countries..	14,994,632	1,353,945
Total..	15,253,675	$1,375,322
Exports for the same period to all countries..	11,577,736	$ 876,557

Honey in the comb or otherwise, and imitations thereof per pound.

Agreement rate per pound, 1 cent.

Present rates: preferential, 2 cents; intermediate, 2½ cents; general, 3 cents.

Estimated decreases in revenues on the basis of imports during the year ended 31st March, 1925—Nil.

Imported for consumption during the year ended 31st March, 1925.

	Lbs.	Value
From United Kingdom ..	159	40
From Jamaica	22,942	2,028
From all other countries..	85,708	17,137
Total..	108,809	$ 19,205
Exports during the same period to all countries..	918,997	$ 101,895

Raw sugar.

Agreement rate, no change.

Present rate, no change.

No change in revenue.

Imports for consumption during the year ended 31st March, 1925:

	Lbs.	Value
From Australia	26,965,412	$ 1,472,835
From all other countries..	811,777,249	34,332,956
Total..	838,742,661	$35,805,791

[Mr. Robb.]

Export of sugar of all kinds (Canadian produce) during the same period .. .. 104,534,700 $ 7,939,504

Glue, liquid, powdered or sheet and mucilage, gelatine, casein, adhesive paste and isinglass.

Agreement rate, 12½ per cent.

Present rates, preferential, 17½ per cent; intermediate, 25 per cent; general, 27½ per cent.

Estimated decrease in revenue on the basis of imports for year ended 31st March, 1925, $562.

Imports for consumption during the year ended 31st March, 1925:

From United Kingdom	$ 210,606
From Australia	11,241
From all other countries	441,253
Total..	$ 663,100

	Lbs.	Value
Exports for the same period to all countries ..	120,800	$ 10,070

Essential oils, n.o.p., including bay oil, otto of limes and peppermint oil.

Agreement rate, free.

	Preferential	Intermediate	General
Present rates..	5 p.c.	7½ p.c.	7½ p.c.
French treaty rate.. ..		5 p.c.	

Estimated decrease in revenue on the basis of imports during the year ended 31st March, 1925, Nil.

Imports for consumption during the year ended 31st March, 1925:

	Lbs.	Value
From United Kingdom.. ..	71,564	$ 83,408
From all other countries.. ..	284,642	494,178
Total..	356,206	$577,586

Fruit pulp, not sweetened, when imported by manufacturers of jams and preserves for use only in their own factories in the manufacture of jams or preserves.

Agreement rate, free.

	Preferential	Intermediate	General
Present rates per pound under tariff item 105..	1⅜ cent	2½ cents	2½ cents
French treaty rate.. ..		2 cents	
or			
Under tariff item 96. ..	17½ p. c.	22½ p. c.	25 p.c.

No separate classification of imports.

Eucalptus Oil.

Agreement rate, free.

	Preferential	Intermediate	General
Present rates..	5 p.c.	7½ p.c.	7½ p.c.
French treaty rate.. ..		5 p.c.	

No separate classification of imports.

Mr. MEIGHEN: I do not see that eucalyptus oil is increased.

Mr. ROBB: There is a decrease of five per cent in the preferential. The change in the revenue in the decrease of importations from Australia will be $6,186 and from British South Africa $255 or a total of $6,441.

Mr. DICKIE: In what way will the breakfast table, as the minister puts it, be favourably affected by the change in the tariff?

Mr. ROBB: To this extent, that if we purchase these products from Australia instead of from the other countries the government will not collect the revenue which it has heretofore got from that source.

Mr. DICKIE: Is it the intention to allow eggs and butter to come in cheaper than at present?

Mr. ROBB: We have exported almost as many eggs as we have imported.

Mr. DICKIE: But how is the breakfast table to be affected?

Mr. MEIGHEN: Largely by eucalyptus oil.

Mr. ROBB: Because we shall not be collecting the same revenue as we did before. Why is it of advantage for Canada to make a trade agreement with Australia? Well, the seasons in the two countries are exactly opposite. It is now summer in Canada,—the growing period; it is winter in Australia. Today our commission merchants have their agents throughout the country buying eggs, butter and cheese to place in cold storage, on which they will have to pay storage charges, interest and insurance. Those carrying charges will be paid by the Canadian breakfast table next winter. But we will be saved this burden if we can effect an economic arrangement with Australia whereby there will be a continual flow of these products from our sister commonwealth, while we are shipping our products to the United Kingdom, where there is an unlimited demand for them, and to other markets of the world, and so our producers will be that much better off.

Sir HENRY DRAYTON: Do our eggs enter Australia free?

Mr. ROBB: Our eggs do not.

Sir HENRY DRAYTON: I know they do not.

Mr. ROBB: Our eggs go to the best market in the world, the United Kingdom,—one week away from Canada, while it is seven weeks away from Australia. Why should hon. gentlemen hesitate to ratify this agreement with Australia? About one-half of the total population of Australia resides in six cities. During recent years this government has effected trade agreements with France, Italy, Belgium, and the Netherlands, and seventy-five per cent of the advantages under those agreements will enure to the agricultural sections of Canada. We have recently concluded a trade agreement with Finland, under which our agriculturists will benefit to the extent of ninety per cent.

Mr. MEIGHEN: Ninety per cent of nothing.

Mr. ROBB: Not at all. I put that before my right hon. friend very clearly the other day.

Sir HENRY DRAYTON: My hon. friend spoke about seventy-five per cent of the benefits under these treaties going to our agriculturists. Take the French treaty, my recollection is that there is no advantage in respect of wheat, which is the principal thing.

Mr. ROBB: I am quoting from information given me by the officers of the department who have made an analysis of our trade with France, Italy, Belgium and the Netherlands.

Sir HENRY DRAYTON: I am afraid they have not studied the trade at all.

Mr. ROBB: They have. During this session we have heard a good deal about keeping our water-powers for the development of the Dominion, but unless put to use the water is flowing to waste. We have also been told that we should manufacture our pulpwood into paper. Well, what are we going to do with the paper unless we get a market for it? I submit that this arrangement will provide an additional use for our water-powers, and an additional market for our manufactures of paper. It is perfectly true that under this agreement the benefits will go very largely to the manufacturers of paper; but, in turn, those benefits will help the man who cuts the pulpwood on his farm for manufacture into paper. So we submit this treaty for ratification, believing it is a good measure for Canada and that it will open up new markets for these products. As the years go by we expect the door will be opened wider. In fact we are now negotiating with the Australian government to secure more favourable consideration for other of our products. We have had complaints presented to us, particularly by our friends in British Columbia, that Australia has placed an embargo on the apples of that province, on the ground that it is to keep out fire blight from their orchards. But they are not the only sinners. The British Columbia authorities keep out Australian apples because they say there is codling moth in the Australian orchards.

Mr. STIRLING: Has that embargo just been put on?

Mr. ROBB: No, I have a statement here from the Agriculture department of British Columbia admitting that they have placed an embargo on Australian apples, but justifying it on the ground that there is codling moth in the Australian orchards, and that if the apples pass inspection on this side they are allowed entry. But as a matter of fact the Australian apple growers say that they cannot afford to ship apples on a twenty-one-day voyage and run the risk of having them

rejected. I think there is some unreasonableness on both sides, and I hope we will be able to arrange between the agricultural departments of British Columbia and the Commonwealth of Australia for the removal of these restrictions, or at least to have the inspection conducted in such a way that there will be no ground for complaint on the part of the Australian apple growers.

I think, Mr. Chairman, I have detained the committee long enough in my presentation of this treaty, which I have tried to place before hon. gentlemen fairly and truly. As I said in opening, we have long sought to negotiate a trade agreement with Australia, and while this is not as favourable to Canada as we would wish, still it is a commencement in the right direction. Hon. gentlemen will have observed that I have refrained from boasting about the advantages of this agreement to Canada. I have done so deliberately. The parliament of the Commonwealth of Australia is now in session and the Prime Minister of Australia has intimated to the Prime Minister of Canada that just so soon as this treaty passes our parliament, a similar measure will be introduced in the Commonwealth parliament. Now, we must keep in mind that there is a certain amount of opposition in Australia to this trade arrangement, and I hope that hon. members will discuss it with moderation and discretion.

Mr. MEIGHEN: I can assure the minister that I would find it very difficult to make very much of our advantages, so the Australian government will be perfectly safe as far as my speech is concerned. But for the moment I only want to ask a question. Is it not a fact that Australia ratified the treaty?—that she did her part as far back as last October? So what is the use of worrying about Australia?

Mr. ROBB: Perhaps my right hon. friend was not in his place a few moments ago when I said that this treaty was somewhat different from that which was introduced in the Australian parliament last session.

Sir HENRY DRAYTON: What is the difference?

Mr. ROBB: We are giving Australia an additional item on raw sugar, but instead of putting up our tariff in some places we have made reductions that, after a very careful review of our trade, I am satisfied do not prejudice this country. Canada exports so many of these products that even if we wiped out all our tariff duties we could still compete with the world.

Mr. CHAPLIN: Why were onions cut out of the list? Will their omission help the breakfast table of Canada?

Mr. ROBB: If onions are not on the list it is an omission and will have to be rectified.

Mr. McTAGGART: What advantages will our agriculture industry derive from this treaty?

Mr. ROBB: It depends on what part of agriculture my hon. friend is referring to. The man who grows pulpwood, for instance, will certainly have an immense advantage. I said a few moments ago that under the previous treaties seventy-five per cent of the advantage, in some cases, and ninety per cent in one case, was to the agriculturist. We do not claim that this is going to be of any material advantage to agriculture, but we do claim that it will not injure agriculture.

Mr. WOODS: Perhaps the minister will answer my question with regard to the imports of raisins to Australia. I would also like to know the total imports of raisins into Canada.

Mr. ROBB: The total imports of raisins in 1914—and hon. gentlemen will observe that the increase in the import corresponds with the period when the different provinces adopted prohibition—were 21,664,379 pounds; in 1919, 34,337,814 pounds; in 1924, 38,792,033 pounds.

Mr. BLACK (Huron): Will the minister give the imports under item No. 86, tomatoes and other vegetables, and so on?

Mr. ROBB: There was imported for consumption during the year ended 31st March, 1925, from British countries, 18,911 pounds; from all other countries—and in respect to these the duty is not changed—13,589,631 pounds. During that same period we exported 14,217,665 pounds.

Mr. FANSHER: How much was imported from Australia alone under that item?

Mr. ROBB: I have not that figure before me, but I have given the total imports from all British countries, including Australia—18,911 pounds. I imagine there were none from Australia.

Mr. GOOD: What were the imports of raisins and currants from Australia?

Mr. SPENCE: The minister stated a few moments ago that if a treaty was consummated between Canada and Australia it would not be necessary for dealers or speculators in these products to buy them at this time of the year and put them in cold storage; that they could be exported to a market which was with-

in a week's journey from this country. But how does he know that that market is always good? Does he not know that there is a surplus this time of year in all countries? Then he says, "Go ahead and import these products again from Australia in the winter months." Does he want to kill all the storage enterprises in this country? That is the lamest excuse I ever heard in my life. This stuff has to be bought by the speculators or dealers; if it were not for them the producers of this country would get very little for their products. Yet the minister makes the statement in this House that it would be in the interests of the producers if the dealers did not buy this stuff.

Mr. MACLEAN (Prince): The minister was about to give the total trade between the two countries.

Mr. SPENCE: Will the minister answer that? How is he going to make it better for producers to eliminate the speculator or dealer and not allow him to buy this stuff? A man should be trained in business before he makes a statement of that kind in this House.

4 p.m.

Mr. ROBB: I do not claim to have the same wide business experience that my hon. friend has.

Mr. SPENCE: You have not the experience in that.

Mr. ROBB: Perhaps not, but if there is no market, they will not ship. The greatest purchaser of butter and cheese in the world is the United Kingdom. We find that during the year 1924 Canada supplied to that market over 1,500,000 pounds of cheese. During that same period Australia supplied 630,000 pounds.

Mr. SPENCE: At what time of year was that?

Mr. ROBB: That was for the twelve months ended December 31, 1924.

Mr. SPENCE: Not in the middle of the summer. These were stored and then shipped afterwards.

Mr. ROBB: My hon. friend has been cross-examining me; let me ask him a question. What is to hinder the commission man, or the man like my hon. friend, who has a cold storage warehouse, from going out now and buying butter and cheese if he wants to, and storing it?

Mr. SPENCE: But you say that is a bad proposition for the producer. I cannot see it myself.

Mr. GRAHAM: Does it not amount to this?—The speculator buys from the farmer at cheap prices the products we are now discussing, and holds them until the price gets higher. There is where he makes his profit. It is the man who speculates, not the farmer, who benefits by the rise in price.

Mr. SPENCE: Many a time he makes a loss, too.

Mr. ROBB: For the year ended 31st March, 1925, the import of raisins from Australia was 158,458 pounds. I will acknowledge at once that practically all our raisins have heretofore come from the United States.

Mr. STEWART (Leeds): Does the minister anticipate that this will reduce the price of butter to the Canadian consumer? If so, at what season of the year?

Mr. ROBB: No, I did not say that, but I do say that if the Canadian consumer uses imported butter and buys it from Australia he will not have to pay a toll to the government, through the custom house.

Mr. STEWART (Leeds): Don't we use butter on the breakfast table?

Mr. CHAPLIN: The minister said a few moments ago that this treaty would reduce the cost of the breakfast table in this country, and he evidently had in mind that butter was going to be reduced in price. What other commodity is going to be cheaper?

Mr. ROBB: My hon. friend cannot jockey me into that position. I made it very clear that so far as the government were concerned we were not going to collect toll on the breakfast table through these items.

Sir HENRY DRAYTON: Therefore butter would be cheaper.

Mr. LADNER: Would the minister explain why it is that in this new revision of the treaty lumber products and shingles have been omitted entirely? Is there any possibility of them being included in the agreement?

Mr. ROBB: They have not been changed.

Mr. MEIGHEN: If the consumer at the breakfast table has to pay just as much as before, would it not be better for the government to get some revenue?

Mr. SUTHERLAND: The minister has stated that he has attempted not to boast about the advantages which Canada is to secure under this treaty with Australia. I have paid close attention to the scheme now before the House as outlined by the minister and I am sorry I cannot congratulate

him upon his modesty because I cannot see where we are to reap any advantage, but the very opposite. We have been in session here for nearly five months. The budget was brought down on March 24, and the budget debate closed on April 30, and contained no reference to these tariff changes and we now have interjected at this late stage of the session what is really a new budget, involving the most important changes which have been made in our tariff regulations for many years. I wonder if the minister or the government think it is fair to parliament to thrust this matter upon it on the twenty-second day of June, after this House has been in session since the fifth day of February. The government have refrained from giving us the information which they had at that time and which should have been contained in the Address at the opening of parliament. They evidently knew at that time what they intended to do; there is no question as to that at all. And yet they allowed parliament to sit in session here month after month, and after a great many hon. members had found it necessary to depart for home, anticipating the close of the session, this new treaty with Australia is laid before the House—and the government ask for power by order in council to negotiate similar treaties with the other dominions, because I see that paragraph (4) of the resolution states:

That subject to the provisions of the Customs Tariff, 1907, the Governor in Council may, by order in council, extend the said advantages to goods the produce or manufacture of any British country.

That is a great deal wider than a trade treaty with Australia. If the same privileges are to be given to every British dominion as are contained in this trade treaty with Australia, we may as well look at it from that standpoint.

In view of the minister's one claim for some advantage coming to Canada out of this treaty, that it would affect the breakfast table of consumers in this country, we may rest assured that it is the intention of the government, if this resolution is adopted, to apply these very same principles to New Zealand and the other British dominions.

It seems a little late in the session to review the advantages or the disadvantages which may accrue to this country in connection with those treaties. We have had some experience with regard to treaties which have been negotiated by this government since coming into office. The minister mentioned nearly half a dozen of them. When the treaty with France was made it was pointed out to the government that in so far as agriculture was concerned, it would not be benefited, but on the contrary would suffer as a result of the treaty. The worst feature of it was that other countries which had made trade treaties with us were placed on the same footing as France, and the experience we have had shows conclusively that the trade treaty with France was a disadvantage rather than an advantage to agriculture in this country. We find that other countries have been increasing their tariffs, particularly during the last four or five years, and some of them raising their tariffs very high indeed. Canada, on the contrary, has been lowering her tariff, and at the same time we are entering into negotiations with those countries which have a reasonably high tariff, and consequently we are at a disadvantage in attempting to negotiate treaties with these countries. The first step the government should have done was to see that our tariff would compare favourably with the tariffs of other countries, and then we would be in a strong position to negotiate on even terms with those countries. That the government have seen fit to disregard that consideration, and have proceeded along the lines they have, is something that they are responsible for and something that must be discussed at this stage of the session in connection with this treaty.

I wish to consider briefly some items mentioned by the minister. He dwelt upon the item of raisins. He expects an increase in our revenue of $1,000,000 under this treaty mainly because of the increased duty on raisins. Does he consider that this is going to benefit the breakfast table. Is that his object in deriving revenue from this source? Fortunately we have some information as to what took place in the Australian parliament in connection with the treaty negotiated and agreed to in August, 1924, and I must candidly say that if we could only trade governments with Australia we would make a much better bargain than we are doing under this treaty. The Australian government apparently are looking after their own country, and its interests, but God only knows whom this government we have in Canada are looking after; it is certainly not the people of Canada and their interests.

Questions have been repeatedly asked of the government since early in the session with regard to the steps which were being taken with regard to this trade treaty with Australia. On March 16, on the Orders of the Day, the right hon. leader of the opposition referred to press notices of government announcements that a treaty had been made with Australia and ratified by the Australian parliament, and said:

May I ask if there is any reason why it has not been presented to this House for ratification, and if so what the reason is, and when we may expect it?

Hon. J. A. Robb (Acting Minister of Finance): Further negotiations with Australia are in progress.

Mr. Meighen: Do I understand that no treaty has been effected?

Mr. Robb: After the government of Australia had passed their legislation they passed an order in council changing the percentage that should apply to goods that would come under their tariff. I think my hon. friend understands that under our tariff, if twenty-five per cent of the goods are manufactured within the British Empire they are admitted. That was changed by Australia to seventy-five per cent. So, we are negotiating with them to have this more clearly defined.

Mr. Meighen: Is there any reason why the Acting Minister of Finance should not lay on the table, and perhaps distribute, the treaty as already accepted? It may be subject to these negotiations, but the treaty has now a definite form. I see no reason why we should not have it.

Mr. Robb: I am not sure that there are any good objections. I will let my hon. friend know later.

Mr. Chairman, the matter ended there for a time, but no information was given until the 20th of June. It was, however, referred to prior to this in connection with the estimates of the Minister of Agriculture who at that time predicted the time would come when there would be stores in the cities of this province and of the other provinces of Canada selling the dairy products of Australia and New Zealand. I inquired of him at that time if that was the object the government had in view in making the treaty with Australia which they had negotiated. He stated that he was a member of the government and had to concur in whatever the government saw fit to do, and would accept his share of the responsibility.

Mr. MEIGHEN: What date was that?

Mr. SUTHERLAND: The 17th of February. On that occasion the minister referred to the trade treaty which had been made with New Zealand a number of years ago and stoutly maintained that we had such a treaty with New Zealand, whereas we have no treaty, it is simply the application of the British preference which we have with New Zealand. In answer to a question I put to him on that occasion he said:

The hon. member for South Oxford wants to know if I am encouraging the dairy industry when I am lowering the duty on Australian butter.

He also said:

Not at all. I am not Minister of Trade and Commerce. I acquiesce in the treaty as a member of the government of Canada and hold myself responsible for it. But there is a difference between consenting to a treaty and originating it. The campaign against "oleo" originated with my department; that was an entirely different matter. The negotiation of a trade treaty comes directly under the Minister of Finance or the Minister of Trade and Commerce. Of course I am jointly responsible for anything that is done in connection with it. It is not done without my knowledge or I would not be able to tell my hon. friend (Mr. Arthurs) that there is such a treaty with Australia.

The Minister of Agriculture was at that time aware of the agreement with Australia. It was understood by the government that there was a treaty with Australia, subject to ratification by parliament and the statement of the minister on that occasion confirms this. Later on it was referred to again, and the minister contended that the only way to head off this avalanche of dairy products from Australia and New Zealand would be to produce better butter and cheese. That was the only hope for the country. Evidently he had in mind the intention of the government to remove the entire duty we had against the imports of such commodities from other countries—in other words no tariff at all. We have heard a good deal about Canada's ability to compete with other countries. I have here the report of the Dairy Commissioner for Canada, who was for a time dairy commissioner of New Zealand and as such was responsible for putting the dairy industry in New Zealand on the sound basis on which it is to-day. He refers to the climatic conditions in the two countries. In New Zealand and Australia the dairy cattle graze the year round; there is no frost or extreme heat, and the cattle are not stabled at all, no stabling being required. Whereas in many parts of Canada the cattle are stabled for six, eight and ten months in the year. How is it possible for the farmers of Canada to compete in dairy products with a country where the cattle graze the year round and where transportation facilities are so favourable as they are from Australia and New Zealand to Canada, by water right to Montreal? This matter of outside competition was also referred to by the Acting Minister of Finance a short time ago—on May 12—when, dealing with the dumping clause in the tariff, he pointed out the effect of a country getting rid of a surplus of anything it may have by exporting it to some other country; how it had a tendency to stabilize the home market. The minister is evidently taking this means to see that at a time of the year when there is increased cost in producing commodities in this country the consumers are to be put in the position of securing such commodities from some other country where they can be produced more cheaply than in Canada by removing the entire tariff against those commodities. The Acting Minister of Finance (Mr. Robb) referred to a break in the butter market in New York a year ago when there was an over supply and how the shipment of

thirty or forty carloads to Canada at that time relieved the situation in the United States, by having the products disposed of in this country. He pointed out that the market immediately went up in the United States, when this was done but that it had a most disastrous effect on the market in this country was of no concern to him so long as it affected his breakfast table. The minister also pointed out the advantage of retaining the duty on some manufactured articles and not having any tariff at all on primary products such as wool, hides and so on. There was a motion in this House on March 16, to reduce the tariff on automobiles. The general tariff on automobiles is 35 per cent, and the motion was to have it reduced and put on an equality with other tariff items. This was opposed by the government. At that time I quoted from the Montreal Gazette market reports of that date, March 16, the statement that there were 29,452 boxes of New Zealand cheese and 16,878 cases of eggs from the United States sold on the Montreal market. This is to be encouraged by the government. The minister endeavoured to estimate the decrease in the revenues of this country as a result of this treaty. How can you estimate the decrease in the revenues when you have no idea what the volume of imports will be? I suppose this decrease is based on the importations at the present time, because the tariff on those goods will be entirely removed and no revenue will be obtained from that source. Let us see what was said in the Australian parliament by the minister who had the matter in charge. The right hon. leader of the opposition (Mr. Meighen) on June 19, again brought this matter up and asked for further information. The Prime Minister on that occasion said that, with regard to the treaty anyone could find out what it was by consulting the records of the Australian parliament. I have here the Hansard of the Australian parliament for 26th September, 1924. We will see what the Australian government had to say with regard to the matter. On a motion moved by the Prime Minister of Australia, Mr. Bruce, that gentleman stated:

> Arrangements having now been made for a reciprocal treaty with Canada, the earliest possible opportunity should be taken to make the facts public. Another reason why I suggest the postponement of the remaining orders of the day is that the ministry has entered into an arrangement with the government of Canada or an announcement of the proposed agreement to be made in this House as near as possible to 2.30 p.m. today as a similar announcement will be made in the Canadian parliament at the same time.

Mr. MEIGHEN: What date is that?

[Mr. Sutherland.]

Mr. SUTHERLAND: September 26, 1924. The Prime Minister evidently meant "in Canada," because later on the Minister of Trade and Commerce pointed out that the Canadian parliament was not in session at that time, but it would be taken up by the Canadian parliament when it met. It was evidently agreed upon that this announcement was to be made in Canada on the same day and at the same hour as it was made in Australia. The Minister of Trade and Commerce, Mr. Pratten, states:

> The proposals before the House, have been examined, and have the full approval of the Tariff board. Being a treaty, it must be accepted in its entirety or rejected, it cannot be amended.

So a treaty was made some time during the summer of 1924 and it was ratified by both governments, the Australian government carrying out their undertaking, submitted the agreement to their parliament, and it was passed by the Australian parliament in October of that year. The government of this Dominion has misled, not only the people of Canada but the members of this House in regard to this whole matter. We have been led to believe that negotiations were continuing; but has the government given us to understand even at this late stage what the difficulty was with regard to the first arrangement they made? Was it that the Minister of Railways found that there would likely be vigorous protests from his constituents with regard to placing on the free list certain things which now carry a tariff of thirty per cent? Other members of the government might be referred to whose constituencies would be affected. Let us see what Hon. Mr. Pratten the Minister of Trade and Commerce in the Australian government has to say about the matter. He also makes it quite clear that these proposals were made by the government of Canada. He says:

> The problem was to arrive at a result which would achieve the main objects of the negotiation, namely, a wider market for our primary products with a minimum of disadvantage to our secondary industries.

That is the object which the Australian government had in view, and apparently that was the object which the government of Canada paid little or no attention to or did not deem worthy of their consideration. A little further on he said:

> Taking a general view of the position, we find the Commonwealth is chiefly concerned with the opening up of wider markets for her primary products. In the present stage of our secondary industries, concessions by Canada to our manufactured goods, on however generous a scale, possess no attraction. We can readily imagine that the concessions proposed by Canada—

Mark the words.

> —on primary products, of which she is a large producer, will lead to criticism by representatives of Canadian

primary producers on the ground that their interests are being sacrificed to Canada's need for markets for manufactured goods. They, no doubt will dwell upon the immense market Canada offers for the primary product on which preference is given, and the scope afforded to Australia for developing this trade.

A little further on.

I feel confident, however, that an impartial examination will lead to the conclusion that the proposals will provide an extended market for our surplus primary products, the disposal of which is causing us so much anxiety at the present time, but that the successful exploitation of this extended market will call for an organized and sustained effort on our part to gain the trade from present suppliers, chiefly the United States.

Further on:

Under the proposed agreement the Commonwealth grants to Canada reductions of duty on twelve items, while the Commonwealth receives reductions on fourteen main and six minor items.

The minister does not need to pretend to be modest about withholding the virtues of this pact if it has any. The Minister of Trade and Commerce in the Australian government was not at all backward about pointing out the advantages which would accrue to Australia. He deals with the fourteen different items, the first of which was fish, upon which they were giving a reduction of one-half pence per pound; gloves, textiles and several other things that I will pass over. He says:

We come next to newsprinting paper, which is probably the most important item dealt with in the agreement from the Canadian standpoint. The present duty against Canada is £3 per ton, but under the agreement Canadian newsprint will be admitted free of duty. When the tariff was reduced in March, 1920, the duty proposed was five per cent under the British preferential tariff, and ten per cent under the general tariff. During the discussion in this parliament an amendment was made whereby admission under the British preferential tariff was made free, and a duty was imposed under the general tariff of £3 a ton.

Hon. members will appreciate the strong position the Australian government were in. After having first put this duty on paper going into that country, they were in a position to negotiate with Canada. They had something to give in return for the concessions which they secured from the Canadian government on their primary product. Evidently, they did this deliberately with a view to bringing about that situation. He again stresses the need for finding "wider markets for our ever increasing surplus of primary products." He continues, further on:

The goods on which Canada will grant preference to Australia are comprised in fourteen main items. The first is meats, fresh. Canada's imports under this item for the year ended March, 1924, were 24,000,000 pounds, valued at £649,000. Australia has done some export trade to Canada in fresh meat, as the following official statistics show:

1918-19..	£43,086
1919-20..	21,011
1920-21..	3,085
1921-22..	18,029
1922-23..	44,129

At present Australian meat pays three cents per pound, while meat admitted at British preference rates pays two cents per pound.

I hope the minister will mark these words:

Under the agreement Canada will alter her tariff, making the British preferential rate one cent per pound, which Australian meat will pay, and the general tariff four cents per pound.

In other words, under the agreement which was made, the Canadian government intended to increase the general tariff one cent per pound. This is not contained in the agreement which is now before the House. The government realized how they were handicapped in endeavouring to enter into negotiations of this kind owing to the low Canadian tariff we now have. The Australian Minister of Trade and Commerce points out:

Our meat will therefore have a preference of three cents, equalling 1½d. per pound.

But under the present agreement the tariff on meats has been reduced from three to one-half cent per pound, while the general tariff remains where it was, three cents. The Canadian imports of lard amounted to 10,400,000 pounds valued at £245,000. Under the agreement Australian lard will be admitted free. Was it because the government were determined that the agreement they had made with Australia would give us too high a tariff that we have had all this delay, and that we have a new agreement presented at this stage? Canada's imports of tallow for the year ending March 31, 1924, were 466,252 pounds and there is a similar change in connection with that commodity as well. The imports by Canada of eggs during the year ending March, 1924, total 6,512,812 dozen at a value of approximately £406,000. At present the Canadian tariff rates are, per dozen, two cents under the British preferential and three cents under the general, and under the terms of the first treaty the rates were one cent British preferential and four cents general. That means that as compared with an increase of one cent per dozen in the general tariff, in the first agreement with Australia, under the new proposal eggs are to come in from Australia without any tariff on them at all. They are now to be made free, whereas under the former tariff the duty was to have been one cent per dozen. The minister did not explain to the House to-day why it was that, while the former agreement provided for an increase in the general tariff on eggs to four cents, it now remains where it was although the tariff has been removed altogether from Australian eggs. In 1922 Australia exported to Canada 30,000 dozen eggs but she has not sent any to the Dominion since that year.

That country has a very considerable export trade, and in 1922-23 her exports were 1,236,000 dozen. Canada's imports of cheese for the year ending March, 1924, were 1,688,926 pounds worth approximately £111,000. In this connection the government proposes to change the tariff to provide an increase in the British preference. At present it is one cent per pound and it will be increased to three cents. Under the present arrangement the tariff is to be entirely removed on Australian cheese coming to this country, while the general tariff is not to be increased as was provided for in the first agreement.

Canada's importations of butter for the year ending March, 1924, were 1,558,102 pounds approximating in value £126,000. The present Canadian tariff imposes a duty on butter of three cents per pound under the general tariff. In accordance with the terms of the first agreement Canada was to increase her tariff to two cents per pound under the British preferential and five cents under the general, thus increasing the preference from one to three cents. Now it is to be one cent per pound. Australia exported 297,000 pounds of butter to Canada in 1922, while in 1923 she exported 13,758. In 1924 she did not send us any. It may be mentioned that New Zealand supplied the sister dominion with 2,268,760 pounds in 1922, 1,893,312 in 1923, and, 1,296,707 in 1924. This was due to the fact that New Zealand enjoyed a preference with Australia.

In the matter of onions, Australia was to have the benefit of free admission; and as our general tariff is thirty per cent it means that Australia would have a preference to that extent. Canada's total importations of onions for the year ending March 31, 1924, were 81,000 pounds.

Mr. MEIGHEN: I did not hear the hon. member. Is that under the present treaty?

Mr. SUTHERLAND: No, this is under the real treaty which was made in September of last year. Australia has a small trade with Canada in connection with this commodity. In 1922 she exported to us £3,500, and in 1923, £6,700, and the preference of thirty per cent would naturally increase that trade very much. The thirty per cent protection which we now have on onions was to be entirely removed by the former treaty, so far as Australia is concerned. I think the committee is entitled to know why the change was made in regard to this commodity in this treaty.

Mr. ROBB: This matter has been brought to the attention of the government of the Commonwealth. Apparently they made a

[Mr. Sutherland.]

mistake in transmitting the details to us, and so that there shall be no misunderstanding with Australia we shall direct their attention to the point. I am glad that my hon. friend has referred to the matter.

Mr. SUTHERLAND: Is it the intention of the government to increase the general tariff?

Mr. ROBB: No, it will remain where it is.

Mr. SUTHERLAND: Do I understand then that onions will be placed on the free list as in the first treaty?

Mr. ROBB: Onions in their natural state are now free under the British preferential.

Mr. LADNER: Will the minister include lumber when he is making the changes?

Mr. SUTHERLAND: When speaking on this subject Mr. Pratten concluded his remarks as follows:

> Australia offers Canada preference on twelve items—seven at British preferential rates and five at intermediate rates. Canada offers Australia British preference on fourteen important items of primary production and six items of minor importance, all of which Australia has a surplus for export. As to the probable advantages to be obtained by the treaty for the two dominions, it is not difficult to estimate the probable advantage to Canada. On the latest Canadian exports to Australia, plus an anticipated increased in newsprint up to 30,000 tons, the value of the preference to that country will be approximately £200,000 or more per annum. The value of the preference to Australia cannot be estimated, but the agreement provides an excellent opportunity for our entry into a large and profitable market, of which it is hoped our primary exporters will be able to take full advantage.

He goes on to point out that as this is a treaty it will have to be accepted without any amendments. Now, the minister (Mr. Robb) tried to make it appear that the producers of primary products in this country did not need to fear competition inasmuch as they had a large surplus for export. It is somewhat interesting to compare our exports of the chief articles mentioned in the treaty with those of the countries referred to; and undoubtedly dairy products constitute one of the most important. The Daily News Letter for May 11, 1925, issued by the Dominion Department of Agriculture, states that there are 3,668,452 milch cows in Australia and New Zealand, and 3,228,663 in Canada—or 439,789 less. It is interesting, however, to look at the export trade in dairy products of these countries with the Motherland. For three months ending March 31, 1925, Australia exported 48,442,500 pounds of butter; New Zealand, 53,181,000 pounds; Canada, only 310,000. For the same period Australia exported 2,341,,000 pounds of

cheese; New Zealand 54,646,500 pounds; and Canada 10,178,300. So it is quite clear that Australia and New Zealand export very much larger quantities of butter and cheese to the Old Country than we do. Notwithstanding that our farmers are working under a great disadvantage compared with the farmers of Australia in regard to climatic conditions, they are now asked to give up their home market at certain times in the year when, as has been pointed out by the Acting Minister of Finance, it will be supplied by the surplus dairy products of other countries more favourably situated as to climatic conditions. We shall again experience what happened a few months ago when a large shipment of butter from New York was dumped on our market. If we are to be subjected to the dumping of surplus products from other countries, not only will our farmers but also our manufacturers and working men suffer severely, because we might just as consistently throw down the bars and allow cheap Chinese labour to enter the Dominion as to allow surplus products of competing countries where production costs are cheap to be dumped on our market.

If we are ever to become a great country we must get rid of parochial, provincial and sectional ideas; we must realize that we can only become a great nation by uniting on some well-defined Canadian National policy which will enable our various industries to flourish, with a resultant prosperity to all our people. But we cannot accomplish that by sectional preferences without conceding something to those engaged in the various activities of the country. We are forced into this position by the fiscal policy of other countries. The United States, one of the greatest and most progressive countries in the world, has adopted a high protective policy, which by reason of our low tariff policy is to-day, stifling all our industries. I care not where you go, you will find that every industry in this country is languishing. I listened to the President of the United States deliver an address at the winter fair in Chicago last year, in the course of which he referred to the difficulties the farmers of the United States had to contend with, and he said that the government was going to see that they were given a sufficiently high tariff to protect them from the surplus farm products of other countries. In other words if the tariff was found to be not sufficiently high on any particular commodity, steps would be taken immediately to raise it to the point where the farmers of the United States would be absolutely protected from ruinous competition. The tariff commission of the United States makes a scientific analysis of trade conditions and recommends that the tariff be dealt with accordingly. These recommendations are invariably adopted by the government. The president is empowered to immediately increase the tariff by fifty per cent on any foreign commodity that is found to be coming into the country to the injury of any domestic industry. We change our tariff frequently up on a few things, down mostly on primary products. To-day the government are endeavouring to secure a better market in Australia for the products of our pulp and paper mills, but with this exception, I do not believe any advantage will acrrue to our people under this treaty. I wonder how the people engaged in paper making have become so influential with the government, the members of which used to rail about catering to the "big interests," "sacrificing the common people in favour of the big monopolists"? Where are the government standing to-day, with agriculture languishing, with the people leaving Canada by the hundreds of thousands to obtain employment in other countries? The government answer, "Oh, we are going to cure all these evils, we are going to see that your breakfast will not cost you so much as it did formerly, we are going to ensure you a plentiful supply of Australian butter and New Zealand cheese and fruits." This is their policy. Our tariff protection to agriculture is being gradually removed altogether, and with grazing conditions so favourable as they are in Australia and New Zealand, how can our farmers compete with the dairy products of those countries? Their competitors in the antipodes can send their surplus butter, cheese, eggs, and other products into the Dominion whenever it suits their purpose to do so. Is it right, is it fair, that under the conditions to which I have referred, our farmers having to stable and feed their stock for six or eight months in the year, as against the climatic advantages enjoyed by the farmers of Australia and New Zealand,—is it at all fair that our farmers should be forced to compete on such uneven terms with the cheap dairy products of the sister dominions, Australia and later New Zealand? To my mind, if this agreement goes into effect Canadian agriculture will receive the worst blow that it has ever received. Our friends in western Canada when that country was new, with land cheap and taxes low, could afford to grow wheat and ship it out of the country at such a profit that they were able to make money very

rapidly. But to-day they are faced with an entirely different condition. Taxes in this country have reached such a pitch that there is likely to be little or no increase in the values of land. How are they going to manage? How long can they continue to grow grain for export and to mine the fertility of the soil? Mixed farming and live stock is the only alternative. This is a tariff proposition; you may call it a trade arrangement, but it is an onslaught on the small protective tariff which we have in this country on agricultural products to-day. The minister says this is a cold country and we must have free wool, yet he allows a tariff of thirty-five per cent on woollen blankets. There is the kind of treatment our farmers have been subjected to in the years that are gone; now their difficulties are to be increased.

Mr. ROBB: Will my hon. friend support me if I bring in a resolution some time to reduce that tariff?

Mr. SUTHERLAND: I will do just as I did when the resolution to reduce the tariff on automobiles was before the House, on the ground that we had a tariff that gave preferential treatment to certain people; I voted in favour of a reduction of the thirty-five per cent duty on automobiles, and I will do the same with regard to the thirty-five per cent duty on blankets, if the minister will give a reasonable duty, with regard to the things farmers produce. Let us have some degree of equality in tariff in Canada. I have taken the ground repeatedly in this House and elsewhere that the farmers of this country are just as much entitled to and as much in need of protection as any other class. A small specific duty of one per cent a pound is being left on butter coming from Australia, and cheese is free. Why not remove the whole thing and be done with it and end the farce? I suppose it will be claimed by the government to be another "step in the right direction"—or towards free trade. The government's policy seems to be that of concealing their designs whenever they can, but always aiming at this objective. The assassin under cover of darkness sneaks out with a stiletto awaiting his opportunity to give his victim the cowardly blow. This government have dealt such a blow to agriculture and have absolutely broken faith with the people; they are now endeavouring to smuggle through a measure that will do this country incalculable harm. It is a measure which will empower the government to negotiate similar treaties with the other British dominions and to give a preference that will make it absolutely impossible for the farmers of western Canada to continue the policy which many of them have recently adopted, that of going into the dairy industry and stock raising. The prediction of the Minister of Trade and Commerce of the Australian government will be fulfilled to the letter—you cannot foresee, he said, the tremendous advantages which will accrue to Australia as a result of the agreement which has been entered into.

Eggs also are affected under this agreement. We find that during the last five years we imported into Canada 35,788,903 dozen eggs and we exported 23,483,955 dozen; in other words, we imported nearly 12,000,000 dozen more than we exported. Will anyone contend that this great agricultural country, with its vast resources, is not capable of producing a sufficient quantity of eggs to satisfy the demands of its eight or nine million people? The same applies to butter. It is true we exported 71,426,000 pounds, but at the same time we imported 15,544,140 pounds. These imports would seem to come within the category of what our Labour friends call strike breakers; they are frequently brought in to deprive the Canadian producer of a home market when the prices are profitable. Of pork products we imported 293,292,716 pounds and we exported 666,769,000 pounds. Of wool, an article to which the minister referred, during that period of five years we imported 71,212,947 pounds and we had to ship out and find a market abroad for 32,809,012 pounds. The minister also referred to cattle hides; we must not have a duty on cattle skins, he says, because if that is done the price of harness and leather will go up. Hides come in duty free. We imported 138,818,837 pounds of hides and we exported 183,974,500 pounds; that is, there were nearly 50,000,000 pounds more for export than we imported. Will any one contend, then, that there is any need to allow surplus hides to come in from Australia, New Zealand and the Argentine duty free? If so, why should there be a tariff of thirty-five per cent on harness and leather? If we are going to have a protective tariff we must be consistent; we must see that all classes in this country have the same degree of protection or equal rights in order that they may carry on whatever their business. If you are going to place agriculture under such serious handicaps as these, you cannot wonder at the boys leaving the farms as they grow to man's estate, and engaging in some other occupation. What farmer with any common sense or self-respect would advise his boys to stay on the farm

under conditions such as we have in this country?—conditions which it is proposed to perpetuate and accentuate by a treaty such as this. There was a resolution moved by the right hon. leader of the opposition during this session which set forth the policy that this country needs at the present time, namely, a policy which will give protection to the agricultural interests as well as other industries. They are more in need of it to-day than any other class in Canada. Continual reference is made to the number of people who are leaving the country and going to the urban centres, but if we legislate along the lines proposed by the minister in this treaty, that condition will continue and increase; the people will leave the farms for the towns and cities, or go to foreign countries. We must adopt sane, common sense business-like methods. Let us take note of what the great country to the south has done and what the results of their policies have accomplished. Their policy was not to leave it to the government to gratify their own particular whim, to take an axe and slash a limb off the tariff here and add something there to suit their political inclination or the source from which pressure might arise. We have a tariff that is absolutely a freak; there is no reason, no merit, no justice in it. It needs revision from top to bottom to put it on a stable basis and to give a reasonable degree of protection to every class in the community. That is the feature that has been absolutely lost sight of by this government. The government of the United States have adopted such a policy. They have a tariff board with full power to inquire into and report on all these matters. The government have brought in here what is practically a new treaty. It has little or nothing in common with the treaty that was made by the government in September of 1924, the treaty which was ratified by the government of Australia, and an announcement with respect to which was to be made in Australia and in the Dominion of Canada at a given hour on the twenty-third day of September, 1924. It is now the twenty-second day of June, near the end of a session which has run nearly five months, the government knows that everybody is anxious to close and go home, and at this stage we are asked to give this new treaty consideration. I say, Mr. Chairman, it is impossible at this stage to give it the consideration which it ought to receive, and I am absolutely opposed to it and the principle embodied in it.

Mr. STIRLING: The hon. member for South Oxford (Mr. Sutherland) has dealt with this matter from the point of view of the mixed farmer. I also propose to address a few remarks to the committee from that point of view, for I can see in these proposals nothing more nor less than a deadly blow at the mixed farmer. Although they are not all articulate, I think almost every sane man in Canada believes a certain measure of protection is absolutely necessary.

Mr. WARD: Not all.

Mr. STIRLING: I said almost all.

Mr. CHAPLIN: And he said "sane."

Mr. STIRLING: A very large number consider that the irreducible minimum has been reached. It is therefore necessary, it appears to me, in arranging a trade treaty with another country that the general tariff should be raised to such an extent that the preference may be taken care of. With the very limited amount of information about this secret treaty which was allowed to escape, we did understand that these general increases would be made. The Prime Minister drew my leader's attention to the fact that if he took the trouble to look at the Australian Hansard he would see the terms, which had been tabled in Australia, and had he done so he would have found the reference to the increases which Canada proposed to make in the treaty. Unfortunately for the farmer, when the treaty is brought before us, we find that those increases have not been made. This change of front will be extremely bad for the fruit farmer, the vegetable grower, the poultry man and the dairyman. We presume that the government's object in negotiating this treaty is to increase the export trade of Canada, but they have neglected an opportunity for doing so in that they have not succeeded in bringing about the removal of the Australian embargo against our apples, to which the minister referred a little while ago.

In 1922, before the minister made his trip to Australia, the facts and the views of the fruit growers were laid before him. In February, 1921, the Commonwealth government of Australia had imposed an embargo against our apples. I hold a copy of it in my hand, and the essential part of it reads as follows:

> I do hereby prohibit the importation into Australia of apple trees, hawthorn trees or any part thereof, including the fruit, which were grown in any country in which pear blight or fire blight exists.

This was issued on the 16th of February, 1921, and signed by W. Massey Greene, the Minister of Trade and Commerce.

On the minister's arrival in Australia he allowed himself to be misled by misstatements of fact in Australia with regard to the Cana-

dian trade with Australia in apples, for he referred to the fact that these embargoes were merely provincial matters, that British Columbia had an embargo against Australian apples. Now this is not the case, and it never was the case. What happened in British Columbia then, and still happens now, is that an inspection of fruit takes place; the same sort of inspection of fruit takes place in England, in New Zealand and in a good many other countries. All we asked of Australia was that she would allow our apples to enter Australia after such an inspection. Is it not perfectly reasonable that if a shipper of fruit in Australia chooses to send worm-eaten apples, British Columbia should not allow those apples to enter for distribution in British Columbia, we having to be extremely careful that the worms which infest these apples do not come into our apple-growing districts. British Columbia, of course, has no means of preventing such apples going into other parts of Canada where apple trees do not grow, and where such fruit would not be a menace. The attention of the minister was drawn to these facts with regard to the embargo, but yet we find that a year afterwards he is still labouring under the idea that Canada has an embargo against Australian apples. We contend that if he had been fully apprised of the state of affairs during that first year of negotiation, he would have been in a very much stronger position to say to Australia, "Now remove your embargo," his desire being to increase the trade between the two countries.

I should like to draw attention to two or three sentences in a memorandum sent to the Prime Minister in October, 1924, from the president of the Fruit Growers' Association with regard to this embargo. I will just take a few sentences out of the middle of this—I will not read the whole memorandum:

> At a meeting of fruit growers in Australia at which Mr. Robb was present the following discussion took place:
>
> Hon. L. N. Shoobridge (Tasmania) moved: "That believing in the development of Empire trade this conference is of the opinion that, provided sufficient safeguards be maintained with regard to the prevention of the entry of diseases, there should be no embargo against products from different parts of the empire."
>
> It was possible, he said, to develop trade in Canada with apples, citrus and dried fruits. We should be consistent and not impose an embargo.
>
> Mr. Ward (Queensland) stated that there was no danger of importing fire blight on the fruit. The effect of fire blight was to prevent fruit forming.
>
> Mr. Wicks said that when the embargo was imposed, it was not a question of fire blight, but of protecting local growers of late stored apples.
>
> Mr. N. Campbell, M.H.A. (Tasmania) proposed an amendment: That this conference considers the question of reciprocal trade with Canada may be so far reaching that it is not desirable to recommend the lifting of the embargo at the present juncture.
>
> Mr. Bailey (Victoria) stated that there was a danger of Canadian apples competing against local cool stored apples. The lifting of the embargo would mean the end of cool storage in Victoria.
>
> Interjection: "You want to use the Plant Disease Act for the protection of trade."
>
> This shows very clearly that the embargo was being maintained for trade reasons, and not as a protection against disease.
>
> The case is parallel to that of the British cattle embargo.
>
> On several occasions during the last two years the fruit organizations have advised the government that unless this embargo was removed they would strenuously oppose the granting of any preference to Australia on fresh or dried fruits which we were producing.

[Mr. Stirling.]

The position with regard to fire blight is this: Fire blight is a disease that shows up in the spring; the young shoots, the buds, the twigs, the blossoms are affected, but if the tiny fruit does become infected it drops before reaching maturity. The disease could not possibly be carried in a mature apple. It is true that some experiments in laboratories have been made. A mature apple has been deliberately infected, and that infection has been carried, but that apple was carried under very different conditions from the apple which is picked and packed commercially, and one of the best experts in Washington told the Australian trade commissioner that there was about as much chance of conveying fire blight in an apple as there is of conveying smallpox with a wooden leg. New Zealand protects herself against this disease by inspecting the fruit, just as British Columbia protects herself provincially, and many other countries find that means of preventing these diseases from entering their country perfectly satisfactory. Why cannot Australia treat us in the same way?

With regard to the items themselves, the hon. member for South Oxford has covered the ground pretty effectively and I shall merely touch upon the viewpoint with regard to the commodities produced in Yale. The government have been carying on a dehydration experiment for several years. The first object of the experiment was to demonstrate the possibility of discovering the very best means of preserving fruit for future use, and also with the hope that capital might come forward to build up a dehydration industry. The government now proposes in this treaty to reduce the duty from 25 per cent to 10 per cent in favour of the greatest producer of dried fruits in the world, a country whose government looks after the fruit industry as after a child, takes a paternal interest in it, helps to form associations of growers and of

shippers, takes care of the export trade, and indeed in 1924, last year, spent £125,000 in the way of subsidies for the canners. It will be against that fruit coming in that we will have to compete. The fruit grower is constantly urged not to put all his eggs in one basket, but to go in for mixed farming, advice which comes from the Dominion Department of Agriculture and from provincial departments of agriculture. It is most excellent advice and the fruit grower takes that advice. He goes in for tomato and fruit and vegetable growing and for dairying, and in everyone of these items the treaty will do him harm. The government is providing that Australian canned vegetables shall come in free, as against a duty of 1½ cents under the general tariff. It has been considered by governments in the past that that small measure of protection is a necessity for that industry, but now apparently the government changes its policy, and perhaps thinks that the tomato grower in British Columbia will mind it less if he is put out of business by an Australian tomato. The same thing applies to the peaches and apricots which are grown in the orchards on the mixed farms in British Columbia. The growers have looked on the canners as a means of getting rid of their surplus; at any rate they sell to the canners after the fresh market has been supplied. It is obvious that the canners in future will not be able to pay as high prices to the growers, if they have to face the coming in of the Australian tinned goods. I have had quite a large number of telegrams from those interested in this matter, but I will take one from the Keremeos Packing Company, which says:

> We understand the government propose allowing free entry on canned tomatoes and vegetables from Australia to Canada. This we consider detrimental to the industry in British Columbia, and would ask you to use your best effort to defeat this measure unless it is made reciprocal.

I think the ground would be cut from under our feet in our opposition to this measure if reciprocal treatment were accorded by Australia. I quote this telegram not because it comes from a canner, but because the canners through those districts are a means whereby the growers are able to make something more than the pittance they have been able to make out of vegetables grown in Canada.

In the same way the apiarist is of very great value to the orchard man of British Columbia. The bees assist in the complete pollination of the blossom, and now they will have to compete against Australian honey coming in. Similarly the poultry man is already up in arms because of the inequalities between the Fordney tariff and the Canadian tariff, and he will have to compete with Australian eggs coming in free as against three cents a dozen under the general tariff. With reference to the dairy business, the dairymen in Alberta are producing a large and increasing amount of butter, and the butter is of good quality. New Zealand butter, with which our butter has to compete at present has to pay four cents a pound duty, but now under the treaty it will be admitted at one cent a pound. I wonder if there is any real provision which will prevent the butter broker in Australia from importing New Zealand butter and sending it in to compete with our butter at a low figure.

Mr. McMASTER: Is it not true that generally speaking the price of dairy products in Canada is fixed, not in Canada at all, but in an export market, namely in Great Britain?

Mr. STIRLING: I think not.

Mr. HUGHES: Everybody else thinks that is correct.

Mr. STIRLING: I differ with my hon. friend. There is a sting in the tail of the agreement in that a new item is put in of which we knew nothing, namely, fruit pulp. Fruit pulp can be preserved by the use of a preservative other than sugar and can be kept a considerable time. The jam manufacturer will be able to buy the Australian fruit pulp which comes in, and they will not be so ready to take the small fruit in pulp from our fruit growers. I wonder how the hon. member who supports the government, and who represents Fraser Valley (Mr. Munro) will meet the fruit growers in his district on his return. It seems to me he will be in a somewhat embarrassing position. He will have to pass on some of the minister's remarks in regard to it being unlikely that the farmers will be hurt by this, and he will certainly be able to tell them that no revenue will be lost thereby, if he is as great an optimist as the minister. Then my hon. friend, the government's sturdy henchman from Cariboo (Mr. McBride)—

Mr. McBRIDE: If the hon. member will take care of himself he will find that the member for Cariboo is quite able to look after the interests of the people he represents.

Mr. STIRLING: —who so often enlightens a dull debate by physical facts from his varied experience, I think, will have some difficulty when he meets the fruit grower and butter producer of his riding and explains to him that in the minister's view his feeling at the breakfast table will be improved, even though the butter is no cheaper, and that the

revenue will not drop. I wonder whether the Minister of Public Works (Mr. King, Kootenay)—

Mr. McBRIDE: Does the hon. member for Yale know that when the government which he supported was in power they put oleomargarine on the free list thus striking at the very root of our dairy industry?

Mr. STIRLING: I am not aware of that fact.

Mr. McBRIDE: Well, it is the fact.

Mr. STIRLING: But I wonder whether the Minister of Public Works (Mr. King) will use all his eloquence in speaking for his constituency and his province on this matter, for I can see in it only a very severe blow at mixed farming throughout British Columbia. One other point that I should like to draw attention to is that it is at the Conservative party that the taunt has been thrown in the past that they are the friends of the big interests. I do not think that taunt can decently be thrown at them any more, for if there is one thing clearer than another, the industry which will benefit by this trade agreement if it passes, is a big industry in Canada and that big industry will reap its benefit at the sacrifice of the farmer.

Mr. ROBB: I just want to have this on record for the benefit of the hon. member for Yale (Mr. Stirling). He quoted what appeared to be the minutes of some gathering or delegation that waited upon me in Australia, but he did not quote exactly what I replied. When I urged them to admit British Columbia fruit to their market, they met me with this: This is a copy of the Agricultural Act of British Columbia of 1915:

8. No package containing any such fruit or vegetable products shall be opened by any person except in the presence of an inspector.

9. In case any such fruit or vegetable products or packages are, in the opinion of the inspector, found to be infested with any pest, the inspector may direct:

(a) That the same shall be forthwith re-shipped and exported from the province by the most direct route;

(b) That such fruit or vegetable products or packages shall be destroyed by the importers or consignees thereof by such process and within such time as may be required by the inspector.

I recall one person there admitting frankly that their measure of regulation regarding fire blight was protection, but another member advanced this, that British Columbia had the same item and this also is protection.

Mr. MEIGHEN: It is not.

Mr. ROBB: It works out in about that way, and the men in Australia who are very far away do not like to take the risk any more than the men in British Columbia, of shipping products and having them later on turned down.

Mr. MEIGHEN: Did the minister tell them we would be glad to have our law in Australia?

Mr. ROBB: I did my best to. On the same vessel that carried me to Australia, there were carried I do not know how many thousand boxes of apples. Sometimes we hear complaints that the British Columbia apple grower overcharges the Canadian consumer, but it was pointed out to me there that apples were sold at auction in New Zealand and they brought $2 per box more than they could get for them in the Canadian market. Therefore, I can quite understand why my friends would like to get into the Australian market. It is reasonable that they should and that Australian apples should come in here. The seasons are exactly opposite. When we are growing apples it is winter time in Australia, and when Australia is growing apples it is winter time in Canada.

Mr. STIRLING: Is it not a reasonable contention of the people of British Columbia that if the Australian shipper ships apples which should be refused, they should be either destroyed or sent back?

Mr. ROBB: That rather contradicts part of my hon. friend's argument of a moment ago. He stated that they might ship them on east. I am not entering into that side of the matter.

Mr. CLARK: The minister, of course, knows that the British Columbia act applies against every other province of Canada.

Mr. ROBB: I think it does.

Mr. EVANS: As regards this treaty there are a few features which I should like to discuss very briefly. Trade treaties are essentially a feature of countries that establish protection by tariff privileges, and they must, of necessity, be just as unfair to some class within those countries as the tariff itself. They may be considered, along with the tariff, as class privilege. This treaty is a treaty really for the benefit of the Canadian manufacturers and one other class is sacrificed to obtain those benefits. The Canadian manufacturers are getting the benefit in the Australian market by a reduction in duty on certain commodities which affect agriculture.

Mr. ROBB: Would my hon. friend prefer shipping pulpwood to Australia rather than paper?

Mr. EVANS: I am not concerned with pulpwood. I quite agree that the pulpwood manufacturer should find a market wherever he can, as we are doing. Moreover, we are tied up in the production of our products and we have to find a market for them against the competition of the whole world. This treaty directly affects agriculture in that way. The lowering of the Australian duty is a benefit to the Canadian manufacturer and along with the fact that it is unfair to the agriculturists there is also a loss of revenue on articles which immediately affect agriculture. As regards the item of currants and raisins, which was, perhaps, the most ridiculous feature of the treaty in its original form, it seems to have been substantially improved now by the duty being lowered to two-thirds of a cent.

An hon. MEMBER: It has been increased.

Mr. EVANS: I should like to know if this treaty goes into effect, if the duty will be raised to three cents again.

Mr. ROBB: Yes, that is quite clear and even at that they will not be so much higher than in the United Kingdom where my hon. friend lived for many years.

Mr. EVANS: It does not matter what the duty is on raisins, this agreement is a class privilege and it is going to benefit only one class, a class that really does not need any more privilege in this country. I refer to the distributors. The price of raisins is going to be set by the American importations. Any importations we shall receive from Australia will be of so much benefit to the distributing class, which benefit will not reach the consumer. It may be that the dealers, jobbers and, perhaps, the wholesalers in some cases will receive benefit, but the chief benefit will be to the importers. It will not even descend to the retailer, and as for cheapening the cost of living, it will not do so in any sense whatsoever.

Mr. GARLAND (Bow River): When the hon. member says: "It will not affect the cost of living in any sense whatsoever." I wonder if he has taken into consideration the fact that we must still continue to import the bulk of our raisins from the United States, and we will put a tariff to-day upon them that will add about a million dollars a year to the cost of living.

Mr. EVANS: In that case the price of raisins will be enhanced rather than lowered. The minister says that the cost of living will be lowered without injuring the trade. He must have meant the distributing trade because no other will benefit by it.

Mr. HUGHES: How will the distributing trade benefit?

Mr. EVANS: The hon. member was not paying attention. It will be because the price of raisins will be set by the importation from America or other places where we get the bulk of our supplies now. The importation of raisins from Australia at the present time is rather a joke than a reality, for it cannot be considered for a moment that 158,000 pounds of raisins will set the price as against 38,000,000 pounds imported from other sources.

I say that any trade treaty in this country is useless that does not tend to lower the cost of production in the basic industry of the country, the industry to which we must look for the biggest part of our national income each year. Anything that does not do that is simply useless and cannot but be in the interests of one class only. A number of agricultural products is put on the free list, and while I welcome anything approaching freer trade I think it should be done with some equity and with some idea of justice in view. The truth is that agriculture has again been sold for the benefit of the Canadian manufacturers who will get a preference in another country. Surely we should be doing all we can to lower the cost of production in this country, particularly in the case of the basic industry upon which all others depend. If there is anything the Canadian manufacturers may hope for it will be in keeping down the cost of production rather than in increasing it and at the same time increasing the cost of living. There is only one way in which this country can ever hope to compete with the United States, for instance, and that is by making Canada a country where production will be cheaper than in any other place on earth. And that can be done.

An hon. MEMBER: Tell us how.

Mr. EVANS: Well, we have a trade policy in this country which enhances the cost of production; and it is enhanced to such an extent that the very advocates of protection here do not believe in that policy. Through protection to-day the cost of living is enhanced while the wealth of Canada is concentrated. And where are those earnings spent?

Mr. ANDERSON: Is the cost of living cheaper in the United States than it is in Canada?

Mr. EVANS: I will come to that. Where are the earnings spent which are being

accumulated here? We find that they are invested in foreign countries, and this in face of the fact that we are importing raw material while our own mines and forests abound in what is required. Why, the protectionists in the House do not believe in their own policy; they have more confidence in investments abroad. I can give you instances if any are needed.

Mr. MANION: Give us some instances.

Mr. EVANS: To-day, for example, the British Empire Steel Company is importing iron ore; and not only that, it is importing coal from America into Montreal at the present time. We have suffered from foreign investments, such as Savanah Railways, and so on, while we should be developing our own natural resources. Instead of that our capital is going to foreign countries to increase the production with which we have to compete.

Mr. MANION: Is the hon. member aware that no Canadian iron ore has been discovered of a quality that compares with the iron ore of the United States or of Newfoundland, and that the only way we can use it is to apply the protectionist method of granting a bounty to encourage the production of it?

Mr. EVANS: Then I would ask the hon. member why it is that this country has seen fit to spend millions upon millions in tariffs, bonuses and bounties to produce that material in our own country which we are now told we must import.

Mr. MANION: We have not spent any money to produce iron ore in this country. No bounty has been given by the federal parliament, whatever the provincial governments may have done; and this is something I have been advocating.

Mr. EVANS: I cannot answer the hon. member offhand but I think he is wrong. To-day our manufacturers are scouring the whole world for scrap iron instead of producing it here. Canada, the most highly protected country, is to-day an importer of scrap iron.

Mr. WHITE: Does the hon. member know that the United States takes from Canada twice as much as Canada imports of scrap iron?

Mr. EVANS: I am not sure of that. Now, we should be doing all we can to foster primary production in this country and particularly in the basic industry, which is agriculture. And if this country is to prosper this must be done.

Mr. ANDERSON: Are we doing it by means of this treaty?

Mr. EVANS: No, that is what I am saying. One of the worst incongruities in this treaty is seen in the arrangement regarding fruit. After protecting the fruit grower of British Columbia and the Ontario peninsula by a high rate of duty, and hedging him about with dumping acts and classifications under the tariff which absolutely prevent any competition from the foreigner, we are putting some of these things on the free list. In regard to some of these things like the dumping clause and other incongruities in the Customs Act, such as the classification of the citizens of the country into five or six categories—as, for instance, consumers, retailers, wholesalers, dealers, jobbers and manufacturers, every one of them having some right under the tariff—if the government would abolish all measures that restrict trade it would tend to lower the cost of living and the cost of production, and the farmers would have a chance to compete with producers of other countries in the markets of the world. This whole thing is an absurdity. It might have benefited us if we had fostered trade with one of the countries that must of necessity import what we produce naturally.

Mr. MARLER: Do we not produce pulp and paper? And is not fish one of our natural productions?

Mr. EVANS: Certainly.

Mr. MARLER: Then what is the hon. member talking about? Are these non-natural products?

Mr. EVANS: That is only one, and it is practically only a side line of the Dominion.

Mr. MARLER: What is a side line?

Mr. EVANS: Pulp.

Mr. MARLER: Pulp and paper a side line? That is one of our greatest industries.

Mr. EVANS: What is it compared with agriculture? Agriculture, I say, is sold for the benefit of others. Because of privilege carried to an absurdity in this country we shall always be in the position of seeking trade treaties which are bound to be unfair to one class or other in Canada. The farmers of this country desire no privileges. All they want is to be free to develop their own industry, to work out their own destiny, and to be able to compete on an even footing with the rest of the world.

Mr. ROBINSON: Mr. Chairman, as the representative of an apple-growing district, I am interested in that phase of the treaty which has to do with dehydrated fruit. I am compelled to say that my constituents take the same stand as the member from British Columbia (Mr. Stirling) who spoke just recently on the question. In my constituency we have one of the best dehydrating plants in the Dominion, and it was built without any government assistance. The industry of dehydrating fruit is growing, and I think it is my duty to bring to the attention of the minister the fact that I have received a number of telegrams from the fruit growers and other interested persons in my riding objecting to the clause in the treaty dealing with the admission of dehydrated fruit at 10 per cent.

Mr. MARLER: Mr. Chairman, perhaps it is regrettable that this treaty was not brought down earlier for discussion, but now it is before us I think it should be discussed on its merits. It seems to me that we have to ask ourselves: What disadvantages do we suffer in entering into this treaty; and what advantages do we acquire? The disadvantages, as far as one can judge, are not many. The question as to whether the treaty adversely affects our agricultural interests has been debated; but can we say with any degree of reason that Australia can compete with Canada in agricultural products in view of the great distance separating the two countries?

Mr. STEWART (Leeds): Does not the hon. member admit that the Australian people think they can compete with us and secure a market here for their agricultural products?

Mr. MARLER: I hope this treaty will prove very satisfactory to Australia in many ways. It would be futile for us to attempt to negotiate any treaty unless the party on the other side were to receive some advantage. But I believe the advantages which Australia is to receive will be beneficial to her and will not be prejudicial to Canada.

Mr. SPENCE: Will the hon. gentleman tell the House whether he himself believes this will be a good treaty for Canada?

Mr. MARLER: Yes.

Mr. SPENCE: Tell us why.

Mr. MARLER: I am proceeding to do so. I do not see how under this treaty Australia can export many articles to Canada on advantageous lines, but there are some she can export, and I hope she will build up a good trade in those lines which we ourselves cannot very profitably produce.

Sir HENRY DRAYTON: Will the hon. gentleman kindly give us those articles?

Mr. MARLER: Raisins and currants, for example.

Sir HENRY DRAYTON: What else?

Mr. MARLER: There is no reason why Australia should not export to us her fruits in the winter season.

Mr. CHAPLIN: Does that apply to dried fruits?

Mr. MARLER: It might apply to dried fruits.

Mr. CHAPLIN: Dried peaches, for instance?

Mr. MARLER: Yes. It seems to me that if we cannot manufacture dried peaches just as cheaply as Australia we should not manufacture them at all.

Mr. CHAPLIN: You are beginning to be quite a free trader.

Mr. MARLER: Not at all.

Mr. EVANS: Would the hon. gentleman apply that to manufactured goods as well.

Mr. MARLER: In some cases, yes.

Sir HENRY DRAYTON: Which?

Mr. MARLER: In which cases?

Sir HENRY DRAYTON: Which cases?

Mr. MARLER: My hon. friend surely does not expect me to enter into an argument on the tariff?

Sir HENRY DRAYTON: Just which cases?

The CHAIRMAN: Order.

Mr. MARLER: Let us be fair, let us discuss the proposed Australian treaty. There is no reason, so far as I know, why Australia should not compete with us in certain of these commodities. But, on the other hand, there are distinct advantages to Canada under this treaty in that a market can be found in Australia for a great deal of our pulp and paper. The duty against us at the present time is $15 a ton. At one time it was considerably less, but when Australia increased it to the present figure, our exports to that country dropped from 29,400 tons to only 2,000 tons. The exportation of pulp and paper to Australia, I am frank to say, means a largely extended and growing market and will be distinctly advantageous to our manufacturers of those commodities. But I ask hon. gentlemen across the floor, how in any way will the extension of that market be disadvantageous

to agriculture? There is no possible reason why it should be.

Mr. EVANS: Is not this enlarged market being obtained at the expense of agriculture?

Mr. MARLER: Not in any way. As has been quite properly said to-day, how are we going to utilize our water-powers for the manufacture of our forest products unless we are able to export those products in a reasonable way? Further than that, in extending our exports of pulp and paper there will be this distinct advantage, that the companies engaged in their manufacture will earn more money and consequently will pay more taxes into the treasury, and in addition afford greater freight for our railways and shipping. It does seem to me that in viewing this treaty we have to look at what are its disadvantages and what its advantages to Canada. I have stated one distinct and known advantage which will accrue to the pulp and paper manufacturing industry of the Dominion. I cannot see that any other industry will be injured by the advantage to be gained by the pulp and paper industry.

Mr. ANDERSON: Mr. Chairman, although I am not opposed to the advantage given the pulp and paper industry under this treaty, yet I do not believe it is proper that that advantage should be gained by sacrificing our agricultural interests. I think our agriculturists need just as much protection as any other branch of Canadian industry. Under this treaty they will be up against almost a free trade proposition with respect to the farm products of Australia, the import of which must result to their serious disadvantage. In that regard I do not feel that I can support this treaty, although I agree that we should do everything possible to get a market for our manufactured products. But we should also conserve our own market here in Canada particularly for the agriculturists, and especially those who are engaged in mixed farming. I am satisfied that our friends from the west who support this treaty now will find it detrimental to them when they go into mixed farming a few years hence. I should think that they ought to look a little bit into the future.

Mr. CAMPBELL: May I point out that the three prairie provinces to-day, taking into consideration the rural population, produce more butter and cheese per head of population than all the other provinces?

Mr. ANDERSON: Then I will guarantee they will feel the competition coming from Australia more than the rest of Canada will, and that when the treaty comes into operation they will be sorry they voted for it.

An hon. MEMBER: We have not voted for it yet.

Mr. ANDERSON: Will hon. gentlemen support it?

Some hon. MEMBERS: No.

Mr. ANDERSON: The government seems to have failed to realize what a menace there is in this treaty to the agriculturist. I support strongly what the hon. member (Mr. Sutherland) said this afternoon so effectively. I am not opposed to the industries of Canada getting a market for their product, but I cannot see my way clear to support such a concession to industry by the betrayal and sacrifice of agriculture.

Mr. SPENCE: At the outset I wish to assure the Minister of Railways (Mr. Graham) and the Acting Minister of Finance (Mr. Robb) that I have no financial interest whatever either in packing plants or in cold storage. My interests are with the men who produce the stuff. I have not enough backbone to be interested in a packing plant or cold storage plant. The man who to-day can plunge into the buying of butter and eggs has more backbone than I have, and if he can make a profit he deserves it, because when he makes a loss he takes it with good grace. I do not like to hear the minister say anything about men of that type, because they are just as necessary, and cold storage is just as necessary in this country, as any implement the farmer has on his premises, because without them the farmer could not get anything for his produce. I have to congratulate the hon. member (Mr. Sutherland) on the splendid address he made this afternoon. He gave the government good advice, and I hope they will pay some attention to it. Apparently it does not seem to have any effect on some of them. I do not care what the tariffs are as between Canada and any other country, or the amounts exported or imported; we are now discussing a specific treaty which to my mind is detrimental to the producers of this country, and I mean those who produce from the soil. Tinkering with tariffs and making treaties has been this government's specialty. We had the French treaty of a year or two ago, and without doubt it has not been beneficial, so I hope the government will endeavour to forget entirely about this one. The French treaty has been detrimental to the fruit interests of this country. For years past there has been a market in Canada

for literally millions of bushels of Canadian cherries, but since this treaty came into effect, those who formerly bought the Canadian product are buying French cherries, which they claim to be a better article, and the result has been that during the past two years it has been impossible to sell our own cherries in the markets of Toronto and Montreal. Anybody who knows anything about fruit growing will bear me out in that. So that the French treaty is one treaty that we should not have had. I should be delighted to see a business built up with Australia, if we got the better of the deal. I am always looking for the best of the deal, and I think everyone here when he makes a deal hopes to get the best of it. Australia being one of the British dominions, we should try to build up trade with her. Now, I am a protectionist, but I am a consistent protectionist and I am not going to sit here and see the interests of the producers from the soil sacrificed in order to help another industry. My policy and the policy of this party is to protect all industries alike; we have no favouritism in that respect. I can say after thirty-five years' experience in connection with fruit-growing, truck farming and dairying that this treaty will ruin the fruit growers, truck farmers and dairymen. The canning factories cannot hope to make the same money they have made in the past. You all know that Australia with her favourable climatic conditions can produce more stuff at half the cost than Ontario can, so that you will eliminate thousands of our people who are now employed in the canning factories all summer. The treaty will therefore be detrimental to the extent that it makes for more unemployment. The government seem determined to do away with whatever employment they possibly can. Australia's climatic conditions, I say, are very favourable to that country and against Canada, so far as the operation of this treaty is concerned. We all know that if those who produce from the soil are not prosperous there is no hope of the industrial centres being prosperous. Only if we make the producers from the soil contented and happy can we have a prosperous and contented people. As a rule it does not take much to agitate them or make them mad. So far as I am concerned I am always trying to appease their hunger and keep them out of trouble. I wish that this government or any government would consult in connection with these trade conventions someone who has special knowledge of these various lines of business. I am not saying that the ministers are not conversant with some lines, but this is the day of specializing, and the gentlemen who negotiated this treaty should have had the benefit of the advice of somebody who knew something about the commercial world and fruit conditions. Now, Australia is making very few concessions to this country under the treaty. The first thing I object to is that the treaty gives too much power to the Governor in Council. It says:

> Subject to the provisions of the Customs Tariff Act, 1907, the Governor in Council may, by order in council, extend the said advantages to goods the produce or manufacture of any British country.

At six oclock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. SPENCE: Mr. Chairman, when the House rose at six o'clock I was discussing the Australian trade treaty. I had made the statement that Australia was not making very many concessions to Canada. I feel that we are making very many more concessions to the Australian Commonwealth than they are making to us. I have already referred to clause 4 of the resolution, but I will read it again:

> That subject to the provisions of The Customs Tariff, 1907, the Governor in Council may, by order in council, extend the said advantages to goods the produce or manufacture of any British country.

I think that is altogether too much power to give to the Governor in Council. Any action of this kind should be taken by parliament itself. Under this clause these privileges may be extended to New Zealand, and I wonder how my hon. friends to my left, after they have developed their butter and cheese industry in the west, particularly in Alberta, would like to have to compete with Australian butter sent in here under a duty of one cent a pound, and cheese coming in absolutely free?

I will enumerate one or two different items on which we are getting a preference:

Fish, smoked or dried, but not salted. I wonder how it would be possible for anybody to send fish from Canada to Australia if it was not salted. So that is of no interest to Canada.

The next item is gloves, except of rubber. There is no preference given to rubber, and in this country rubber gloves are manufactured in nearly every rubber factory in the land. We get no preference on that whatever. The only advantage we get so far as I can see is in machinery, and pulp and paper. We are getting a slight preference in these articles.

On apparel we get a duty of 40 per cent, which I consider a reasonable duty to pay for those goods going into any country.

On iron and steel tubes or pipes we get a duty of 5 per cent; goloshes, rubbers and boots and shoes and plimsolls, 1s. 9d., or 30 per cent, which I consider a reasonable percentage.

Now I come to the rates of duty we are going to allow to Australian goods. First of all is meats, fresh, not otherwise provided, half a cent per pound; canned meats, canned poultry and game; extracts of meats and fluid beef, and soups of all kinds, 15 per cent. So you can see the privileges we are giving to Australia are much greater than we get.

Lard, lard compound, cottolene and animal stearine of all kinds we allow to come in free. On tallow we impose a duty of 10 per cent. That is one of the worst things in the treaty, in my opinion. The duty should be at least equal to what we are paying, 30 per cent. Tallow is produced in Australia very abundantly, and anyone who knows the industry in Canada knows that this will probably do more injury than anything else in the treaty. Sheep are raised in Australia by the hundreds of thousands. They are raised very quickly, and Australian mutton is very fat. In the early days some of you remember that when Australia had not developed a market for its sheep and mutton the sheep were shorn, and then driven into the sea. That was the only way they had to dispose of their mutton. But now Australia has developed a big trade in mutton and lamb, and the most of their mutton that is of a lean variety is shipped to this country and England, and their fat sheep are shorn of their wool, and then used for making tallow. There will be an enormous quantity of this stuff come into Canada under this tariff.

Then beeswax and eggs and cheese come in free, and on butter the duty is 1 cent per pound. I wonder how my hon. friends to my left will feel when they have to compete with Australian butter, and possibly New Zealand butter coming in here under a duty of 1 cent a pound?

Tomatoes and other vegetables, including corn and baked beans, in cans or other air-tight packages come in free. Everybody knows that this country produces more tomatoes and other vegetables than can be consumed in this country. If we had the time, there would be no difficulty in canning all our corn and tomatoes in the summer time. We could can more tomatoes and more corn and various vegetables of other kinds than could be consumed both in this country and Australia.

[Mr. Spence.]

Apples, dried, desiccated or evaporated, and other dried, desiccated or evaporated fruits come in here under a duty of 10 per cent. Anybody who saw the big apple crop this country had last year will know that there is no possible hope of our farmers succeeding in raising fruit under competition with Australia sending her fruit in here under a 10 per cent duty.

Pears, quinces, apricots and nectarines come in under a duty of 25 cents. As far as that is concerned, it will not make much difference to this country.

Fruits in air-tight cans come under a duty of half a cent. That will compete with the fruit canning industry in this country, and will eliminate the employment that is given to thousands of our people in our canning factories in the summer time.

The next two items are honey and sugar; I do not know much about honey. Then we go on to the other articles mentioned by my hon. friend from Yale (Mr. Stirling): fruit pulp, not sweetened, when imported by manufacturers of jams or preserves for use only in their own factories in the manufacture of jams or preserves. That comes in free. I am utterly opposed to that. It may not hurt the manufacturers of this country, but it will do a great injustice to the fruit growers. If the manufacturers of jams and preserves and jellies and things of that kind cannot buy the fruit they want at their own price, they can simply let it go to waste, and import their stuff in barrels, and use it all winter, putting it up in a small way, in one and five-pound tins, and so on. That will be a great disadvantage to the fruit growers in this country. In the last three years the fruit crop in Canada has been so abundant that there has been hardly any possible hope of consuming the stuff, and the canning factories and the jam people have had so much fruit pulp on hand for so many years that they have been unable to buy the surplus stuff that could not be consumed. For the last three years, the fruit growers in this country have been receiving the lowest prices for their fruit in history. That has partly been due to a number of people being out of work and there being a lack of money in the country, but it is also due to the big surplus crops in the last three years, and no one could make any money out of fruit except the people who made the containers, and the transportation people. The growers of fruit and other people in the industry worked for nothing. Last year peaches could not be sold for more than 50 or 60 and sometimes 40 cents a basket. Plums of the very best varieties were sold on the Toronto and Montreal markets for as low as 10 and

15 cents for an eleven-quart basket. Now I ask, is it possible for the fruit growers of this country to compete with fruit brought in from Australia when they are not able to get a price for their own stuff in this country at the present time? The growers of peaches and plums and pears will be very much injured by this treaty.

I trust the government will make up its mind not to press this resolution through, because it will do a great injustice to the farmers of this country, and it will certainly put a number of the smaller ones entirely out of business.

Reference was made a few minutes ago to the fact that onions are on the free list. I do not know why a number of hon. gentlemen on this side of the House should mention onions; but I am sure they thought as I did, namely, that the Minister of Railways, representing an onion growing county, took care to see to it that onions were taken out of the free list. Possibly I might have done the same thing if I had been in his position; but he had the advantage and the opportunity to do it.

Mr. GARLAND (Bow River): The treaty is objectionable to me principally on the ground that it constitutes a discrimination against Canada. Canada stands to gain so little by it that I am surprised the Finance minister should waste the time of the House by introducing it. Let us take a glance at the treaty and see who are to be benefited by it. The principal industries picked out for special treatment are those producing automobiles, automobile parts, pulp and paper, rubber goods, canned salmon and agricultural implements. All these are especially favoured under the treaty. Looking at the general trade of Canada with Australia, we find that Canadian exports to Australia amount roughly to about $20,000,000 annually, and we import about $1,035,000 in round figures. It looks to me as though we already had a pretty strong advantage over the manufacturers in Australia, but I would like the House to notice, that out of the total export trade the articles mentioned for special treatment constitute 85 per cent of the trade. The automobile industry constitutes almost half of it. Lumber accounts for about $4,000,000 out of $20,000,000, about one-fifth, and as I say all these get special treatment. I think the House should know that the general average of Australian duties is higher than the Canadian duties. In other words, the Canadian manufacurers have been able to go over there, traverse that long stretch of ocean, and compete on the Australian market against all comers to the extent of $20,000,000. It looks to me as though the Australian exporter or manufacturer, on the other hand, can certainly come back and compete with the producers of goods and with importers of this country, when we have a lower rate of duty. These are the principal people who benefit particularly under it.

Let us see who the people are who are discriminated against and do not get any advantage, and I can sum them up in a sentence. They are the consumers of Canada. They will lose under this treaty to the extent of $1,035,000 in the direct application of an increased duty on raisins and currants alone. I will give some figures to illustrate this. Excluding the imports into Canada from Great Britain and Australia, Canada imported in the year ending 31st March, 1924, 43,842,396 pounds of raisins and currants. If you will multiply that by the increase in that duty announced by the Acting Minister of Finance you will find it will mean a per capita tax on the people of this country to the tune of about $1,035,000. That is a very conservative estimate. When we remember that the increased duty will also be made the basis for a sales tax, the committee will readily realize that when I have given those figures I have given the minimum figures. In addition to that we will also remember—those of us who have suffered under protection for so long—that when a protective duty is imposed on any commodity we pay far more than the actual duty itself. We pay the duty plus the profit to the importer, plus the profits of the wholesaler, plus the profits of the retailer, and when the duty finally reaches the unfortunate consumer he finds the tariff duty has been increased many times. I would then, Mr. Chairman, be justified in making an estimate that it will cost the people of Canada $1,250,000 in the increased price of currants and raisins alone. But someone will say that we are going to get all those from Australia free under the new arrangement. Let me give the House some figures. According to the Australian Year Book for 1923 the total production of raisins was 30,242,240 pounds, and of currants 18,159,232 pounds.

The total consumption in Canada in 1924 was 38,792,039 pounds of raisins, and 5,598,777 pounds of currants. What does this mean? It means that when Australia had looked after her own requirements she had for export in raisins 12,986,553 pounds and in currants 10,937,598 pounds, while Canada in 1924 required over 38,000,000 pounds of raisins alone. In

other words, the total production of Australia was 8,000,000 pounds less than the total Canadian consumption of raisins. I will put it in another way; the total surplus export of raisins from Australia falls short of Canada's requirements by 26,000,000 pounds. How are they ever going to make up that increase in a few years? It is going to take years, even with increased raisin production, even if the treaty goes into effect, before we can take advantage of it. In the meantime we must import from other countries, such as the United States under the increased tariff duties which the Acting Finance Minister intimated would be applied.

Mr. ROBB: They come also from South Africa.

Mr. GARLAND (Bow River): A very small quantity, over that long distance. I am glad my hon. friend raised that point. Australia could supply our requirements in currants, but only at the sacrifice of all her present markets and only at the sacrifice of all the markets she is building up by a foolish and stupid proceeding on her part.

In 1924 Canada imported 35,690,194 pounds of raisins from the United States of America, and from Australia she imported 29,502 pounds. Is it not ridiculous, Mr. Chairman, that a treaty of this kind should come before this House? In currants—and the hon. Acting Minister of Finance might have paid attention to this—our requirements come from one country chiefly, namely from Greece, and we import from Greece 4,768,228 pounds. I understand we have a very heavy loan in Greece which has not been paid, and the importation of currants into Canada is one of the few means Greece ever had of paying her debt to us, yet the Acting Finance Minister now makes it more difficult for Greece to pay the loan which Canada made to her some years ago. As I have stated already, it will take many years to increase the Australian production, even if the treaty goes into effect. I am opposed to the treaty in general and I can summarize my opposition to it best by quoting a conclusion arrived at by an eminent writer who discussed this treaty recenty. He said:

> The treaty does give the Australian farmer a profitable market for his raisins and currants in Canada, and it will tend to reduce the price he has to pay for his rubber goods, canned salmon, automobiles and agricultural implements. It is a pretty good treaty for the Australian farmer and reflects considerable credit on his government for its bargaining ability.
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> For the Canadian farmer it means an increase in his cost of living, increased competition in his home market with agricultural products from Australia, and not the prospect of a reduced price for manufactured goods of any kind. From his standpoint, the Australian government put it all over the Canadian government.
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> The treaty may be very acceptable to certain manufacturers and the canners of salmon, but from the standpoint of the mass of the people it is the kind of reciprocal trade agreement that the country would be better without.

Mr. ROBB: The gentleman who wrote that displayed his ignorance of the treaty in saying that it gave an advantage to agricultural implements. That is one of the points we have been urging very strongly upon Australia, but they would not concede anything. I may say incidentally that the duty on agricultural implements is about 45 per cent.

Mr. GARLAND (Bow River): I am glad the suggestion was made in that regard. As I intended to say at the outset, this article was written when the announcement of the first treaty came out. In conclusion, let me say this. We have here an absurd situation. We have Canada pretending to desire, through its Acting Minister of Finance, to develop trade with Australia. We have Australia apparently anxious to consummate trade with Canada. We have these two countries facing each other across a great stretch of ocean anxious to trade with each other. Why cannot we arrange it under some such terms as these? Why cannot Canada say to Australia: We would like to get your goods. We are exporting $20,000,000 worth to your $1,000,000 worth at the present time. We know you can afford to buy more goods from us and we are willing to make it possible for you to do so. No duty will be imposed against you in our markets. Come on; buy goods from us, and we know we shall have to buy more goods from you. That would be the commonsense way to bring about an increased trade. We have, during the period of years from 1893 to this day, spent the enormous sum of over $4,721,000 on a subsidized steamship service for the purpose principally of developing trade and maintaining trade routes, and this country still stands in the extraordinary and illogical position of developing trade routes by maintaining subsidized steamship services, but of preventing trade by maintaining tariff barriers.

Mr. TOLMIE: If we look over the treaty as we have it before us, it is quite apparent that, as regards British Columbia and other parts of Canada, it will be very beneficial in certain respects. I refer particularly to the export of fish and also of timber products, I quite agree that it is necessary for us to seek export markets and, in doing so, I think it is quite proper to cultivate and develop inter-empire trade as far as we can. In this regard the treaty is all right; it is a good

one and it will increase our trade. But we cannot overlook the fact that this has been accomplished at a very great sacrifice to a seven billion dollar investment we have in Canada—agriculture. In the first place, in lowering the tariff on many of the products of the farm, including fresh meats, tinned meats, vegetables and also fruits, we are striking at the very crux of our agricultural success in Canada. We are bringing into competition with the producers of this country competitors that can turn out their articles at a much lower price than we can. This is largely due, in the matter of meats, to the splendid pasturage conditions they have in those countries where they are able to run their cattle in the open all the year round and where they do not face the very severe winters that we do in our range country and in those sections where it is necessary to house cattle in the winter time. This means a tremendous advantage for the producer under those conditions.

The prices that cattle are sold for in Australia may be of interest to producers in this country. In western Australia, they were selling their cattle last year, 1924, at $2.90 per 100 pounds dressed and $1.32 for rejects. These are prices, I am sure, that anyone acquainted with the cattle business in this country will agree will furnish a competition that we cannot possibly meet. Live beef animals were selling in the same section of that country at $19.20 up to $21.60 per head, prices that have not prevailed in this country, I think, within the last thirty or forty years, prices that we used to know of in the western mountain territory of British Columbia in the early days when we had no railways and the market was very limited. We find in western Australia where these prices prevailed last year, in one government packing plant, they put through about 30,000 head of these cattle. In addition to that, the Australian receives, for every animal exported, $2.40 per head, so that, in addition to the low prices and cheap cost of production, we are putting our Canadian producers up against a bonus of $2.40 per head. The Australians are naturally very anxious to secure a market. Their principal market is the frozen meat market in Great Britain. Of late years, owing to the closer proximity of the South American market, they have met with competition down there that has made it very difficult for them to carry on, first, on account of the distance of that market, and, second, owing to the fact that the South American beef, as it is produced to-day, is of better and more even quality and better finished than Australian meat. They are, therefore, searching about for an outlet for this particular product, and they have secured, I think, an excellent market indeed under this proposed treaty.

As regards the question of our sheep population in Canada, this has been dragging for a number of years. We reached 3,750,000 about three years ago. This has shrunk to about 2,500,000 at the present time as compared with between 80,000,000 and 90,000,000 in Australia. Australia is the largest sheep-growing country in the world. She can produce sheep under ideal conditions, and she could simply flood this market with her mutton if she decided to do so with the cheap transportation that is afforded her. In this particular connection also, we are bringing our producers in this country, in a struggling industry like the sheep industry, face to face with unfair competition.

The item of tallow was referred to a few moments ago by the hon. member for Parkdale (Mr. Spence). As he very well pointed out, as regards the production of tallow in a country where animals are so cheap, we cannot face such competition in Canada.

As regards dairy products, the cattle in Australia have the same advantage in the production of dairy products as they have in the production of beef. That is, they are able to graze outside during the whole year and, therefore, they can be maintained at a lower cost so that their products can be put on the market at a lower price.

We have the same disadvantage in competing with the egg producer in Australia as we have in competing with the egg producer in California or the southern states. That is, that during certain seasons of the year, we are faced with very heavy winter conditions. We have to provide warm houses and to feed expensive feed, and eggs are produced only at a heavy cost, while on the other hand, in Australia they do not have that disadvantage and they are able to place those eggs on the market at a lower price than we could. In that particular instance, we are to be faced with free eggs from Australia, and in that way we are inflicting an unfair competition on the farmers of this country.

With regard to fruit, we are up against the production of free fruit pulp for making jams and preserves of various kinds. I think this is unfair for the reason, as was pointed out by a previous speaker, that the buyers of that material in Canada will be able to take an independent stand and cut and force down the prices of our producers even worse than they have done in the past.

As regards the matter of canned beans, let me give the committee an illustration of how

the United States view the importance of those products in that country. They have a duty of no less than $1.05 a bushel as compared with a duty of only 25 cents imposed on beans coming into this country. Now by this treaty we propose to let them come in absolutely free. In a treaty of this kind, which has something good in it and a good deal that is bad, it is rather difficult to know how to decide. But in this instance, speaking as a private member, I see no other course to pursue than to be guided by the demands of my constituency and also by the requirements of the province from which I come. But in doing so I want to emphasize the protest that I have made against the heavy price that we are paying.

Mr. SNOWBALL: For several years we have been looking for markets outside Canada for the products of this country, and especially within the empire, and I think that the agreement before us to-night which has been reached with Australia is one of the most far-reaching and beneficial that we have considered for some years. As I have listened to the speeches that have been made on the other side, it has occurred to me that possibly the tone that characterizes them is due to the disappointment felt that this should be another feather in the cap of the Liberal administration. The treaty has found a market free of duty for our paper, automobiles and farm machinery, three of the largest employing industries of Canada, all of which are looking for outside markets. As we know, Australia is not a manufacturing country; and I am hopeful that by means of this treaty we shall be able to enlarge the demands there for our products and make it more profitable for each of these industries to which I have referred to carry on, employing still further labour.

I find that prior to 1921 Canada had built up a considerable export trade with Australia in newsprint, shipping at that time almost $6,000,000 worth of this product. About that time Australia put on a preferential tariff in favour of Great Britain of $15 per ton on newsprint and 15 per cent on the other grades of paper. From that time on Canada's trade in that direction has dwindled until now there is hardly any export of newsprint to the Australian market. The pulp and paper industry is, I think, next to agriculture, and coupled with lumber the second industry we have in this country and it is worth all the consideration that can be given it. Furthermore, it is an industry that can be increased from the natural products of our own land. I find that in 1923 the export of pulp and paper from this country amounted to $100,000,000 and from the records, as nearly as I can trace them, the exports for 1924 ran to almost $140,000,000. Last year Canada produced 1,322,944 tons of newsprint of which she exported 1,219,384 tons. Of that export 1,192,699 tons went to the United States, 156,000 tons to Europe, and only 132,600 tons were used in Canada. It will be seem therefore that if we intend to increase the production of pulp and paper in this country we shall require to find other markets; and this market in Australia, within our own empire, is naturally the one to which we should look in this connection.

I find also that the United States produces only 1,471,000 tons of newsprint, the rest of her imports of this article coming largely from Canada. So that the United States cannot become a competitor with us at any time so far as that product is concerned. While looking into this matter another interesting item came to my notice. For instance, we exported to the United States in 1923 1,384,000 cords of pulp wood and if we had manufactured that raw material into pulp we should have had 1,195,000 tons of pulp worth $36,000,000, while if we had converted it into paper it would have yielded $89,000,000. That is to say, the expenditure would have gone largely into wages, employing people in the country. If therefore we can find markets outside which will induce the establishment of paper mills in Canada more largely than at the present time we should take every advantage of any possibility in this direction.

It has been suggested that this treaty will interfere with the farmers; but from experience in this business, with which I am personally connected, I do not think that there is any industry in Canada which is so beneficial not only to the farmer himself but to everyone associated with the land, as this basic industry of lumber, pulp and paper. From the very inception in the woods with the log the products of the farm come into play; horses, hay, oats, beef, pork, beans, everything that is produced by the farmers enter into the production of lumber, pulp and paper. If therefore we can increase that output by establishing other mills and manufacturing more fully the products of our own country, finding markets for our newsprint, a great benefit must inure to the farmers of the Dominion. The western farmer with the increased production that will take place on the Pacific when other mills are built there will benefit. I noticed in the paper the other day that two five million dollar mills are to be erected in Nova Scotia for the manufacture of pulp and paper, so that the maritime provinces will benefit as well. This treaty

therefore, giving us an outlet for our pulp and paper, is something to be commended. There has been some discussion as to the farmer not being able to compete owing to the products of the farm coming in free from Australia under this agreement. I would ask this question: How is it that the Canadian farmer can compete in the open market of the world, in free trade England, with Australia sending there a large amount of butter, cheese, wheat, beef and other products, entering into competition? Our friends opposite are afraid that Canada will be deluged with these products from abroad. I do not think there is any danger so far as that is concerned. I live in New Brunswick, a part of which province I represent here, and I hope that this agreement will go through, for I believe it will be beneficial not only to the Maritime provinces and Quebec but to every part of the Dominion which is interested in the lumber trade and where there is any considerable territory in which lumber is produced. As the years go by I am sure we shall find that the Liberal policy as embodied in this treaty will prove a great advantage to Canada. We have entered into treaties with France and other countries, but this treaty is one between component parts of the empire. It will tend to bind those two parts of the empire more closely together. We are sending our products, pulp and paper, farm implements and automobiles, while they are shipping to Canada the products of their country. On the whole, I think the agreement is in favour of the Canadian people and I wish to congratulate the Acting Minister of Finance (Mr. Robb) and those associated with him in the negotiation of it on having submitted to the House to-night a trade arrangement that must commend itself to the approval of the Canadian people.

Mr. FORKE: Mr. Chairman, I envy the happy feelings of the member for Northumberland N.B. (Mr. Snowball), for he finds in this proposed treaty with Australia nothing but what is good. After listening to some of the speeches by hon. members to my right, I am beginning to wonder if there is anything that we can produce just as favourably as any other country. I do not understand why it should be so, but whatever line of industry is mentioned we are told by certain hon. gentlemen that Canada is not able to hold her own against other countries. Now, I have never taken that position. I am perfectly sure that in the majority of cases, given equal chances and unhampered by artificial restrictions, we can hold our own with any country in the world. In this treaty I think there is much that is good, and I am afraid much that is not very good. That is why I referred to the speech by the hon. member for Northumberland, N.B., because if I were able to say the treaty was very, very bad, I would feel quite at ease; and if I could say it was very, very good, I would feel equally at ease. In my opinion it is a mixture of good and evil.

Mr. LAPOINTE: Like all human things.

Mr. FORKE: This is very human, anyway. With respect to making trade treaties with the sister dominions, I am British enough to rejoice in anything that will bind the empire closer together. At the same time, I recognize that there is not much sentiment in trade, and in fact I believe it will ultimately work out for the betterment of all concerned if we do not try to guide trade routes along sentimental lines. Nevertheless I should like to see some closer connection between the various self-governing dominions.

As to the advantages that are to be received by Canada under this proposed treaty, I notice that motor car parts are given preferred treatment; but I also notice that Australia is now beginning to assemble these parts, and I do not suppose we shall get as much advantage in this direction as we have had in the past. Last year something like eight million dollars worth of motor car parts was exported to Australia, and we are to get the benefit of the preferential tariff on these articles. This benefit may accrue to some of the big manufacturing plants, but I do not think that the people of Canada as a whole will derive much advantage from the concession. Presumably the greatest advantage gained by Canada will be in respect to paper, we being put upon an equal footing with Great Britain and the other paper-producing countries. This should increase our paper exports to the commonwealth, and I am free to admit that I should like to see Canada enjoying every advantage she can get in this regard.

I do not want to protest against the duties being taken off some of the articles that have been mentioned by the ex-Minister of Agriculture (Mr. Tolmie). I am not afraid of Canada ever importing eggs from Australia to such an extent as to prejudice our farmers, nor am I afraid of our importing Australian butter in sufficient volume to affect the price of our own product. I think it is pretty widely recognized now that the prices of practically all our farm products are regulated by the prices in the markets of the world, and that it is these prices which the farmer gets. Therefore we are not likely to be affected by any importations of these products that we

may receive from Australia. I am a little astonished though that onions have been left out of this treaty. I think there must have been some manipulation on the part of the Minister of Railways.

Mr. ROBB: No, that was a clerical error.

Mr. FORKE: I do not wish to be taken seriously, anyway.

Mr. GRAHAM: It is a strong subject.

Mr. FORKE: It is suggested to me that it is also a tearful subject. I should like to have supported this treaty, but I find that the apple-growers of British Columbia are not satisfied; neither are the farmers of Ontario—why I do not know. Perhaps those who will find least comfort in the treaty are the great body of consumers in the Dominion. The Acting Minister of Finance (Mr. Robb) stated this afternoon that he was interested in the welfare of his own constituency. Now, when I look out to the west I remember that the people there are great consumers of raisins—perhaps no other dried fruit is more generally used in the prairie provinces, and when I think of my own constituency and the large amount of duty they will be called upon to pay under this treaty, I feel that I will have to vote against it. It is all very well to say that we are going to get raisins from Australia free of duty. As pointed out by the member for Bow River (Mr. Garland), for many years Australia will not be able to supply the Canadian market, and notwithstanding the fact that I should like to see Australian raisins sold in Canada, I believe that even if this treaty goes into effect the Canadian people will be eating California raisins for many years to come, because despite the duty of three cents a pound I fear the Australians will still find it very difficult to compete with the raisin-growers of California. It is contrary to the principles which we have always professed that tariff rates should be increased, consequently I feel as a matter of principle that I cannot support this treaty, although I do not entertain perhaps the same hostility towards it as the hon. member for Bow River, but, balancing the whole thing, I think I will be compelled to vote against the measure.

Mr. STANSELL: Mr. Chairman, in my view a treaty is a bargain between two nations to which both contribute something and both receive something in return. I am in sympathy with all that has been said about the desirability of encouraging trade within the empire, but I am unable to view this treaty as a fair bargain from the standpoint of Canada. In fact, I can scarcely conceive of a Scotchman being guilty of making such a poor bargain as this trade agreement appears to be. We would naturally expect a bargain of this kind to be mutually advantageous, but there is one thing that strikes me at once in the treaty—our farming and other industries are paying the price for securing certain concessions to a few big manufacturing industries. If similar interests in Australia were paying for these concessions, I would think it a mutually fair agreement, but on the face of it I can only interpret the treaty as a bargain secured in the interests of one class in this country to the detriment of all other classes. I am quite willing to subscribe to the doctrine of protection, in fact I believe it is the only fiscal policy for Canada under present conditions, but my idea of protection is that it should benefit all classes, and I have no sympathy with that form of protection which would benefit a few favoured interests at the expense of the well-being of all other Canadians. Just where this treaty is going to work out to the advantage of Canada generally, I fail to see.

In the matter of raisins, I could not be expected to find the same objection as that offered by hon. members to my left, because frankly I think the situation the Acting Minister of Finance finds himself in to-day is due to the fact that you will always find just such a difficulty when you attempt to bargain or make treaties between a country having almost no protection, or very little, and a country which is very highly protected. The minister experienced this when he began to deal with raisins, because it is something which Canada cannot produce and something which Australia can produce in abundance. But we already had such a low tariff that he found it necessary to increase the general tariff before he could bargain. I can easily understand the advantage of selling to Australia those things which they do not produce and buying from them products that we need. But with the exception of raisins and perhaps two or three other commodities, Canada is making a sacrifice in respect to products which we produce abundantly ourselves, and we now have to open our market wide to their competition.

Is there any reason in the world why Canada should not produce her own butter, her own eggs, fruit and vegetables? To my mind it is preposterous, with the small amount of protection that is at present afforded to our farmers, when we are already buying food products to a far greater extent than we should owing to insufficient protection, that we should open the market wider

to competition. I know the hon. member for Brandon (Mr. Forke) does not see any danger in that; he says that Canadians can produce as cheaply as anyone else. I am quite willing to agree with him in that respect, but here is the practical way in which it works out: manufacturers, dealers, farmers, any other interests you like to mention, are actuated by natural human impulses, and the dealer in any of these food products has only to take advantage of the free importation from Australia to bring in, at any time when the market is just a little higher than he would like to see it, a considerable supply of these goods, demoralize the market, and then for months afterwards reap a profit at the expense of the Canadian farmer and producer. Every one who is in business knows that these things happen, and this is only opening the door wide to such practices.

In Ontario particularly we have built up very large canning industries which are mutually beneficial to the farmer and to the consumer. There is no reason in the world why Canada should not produce and can her own fruits and vegetables. I have in my own riding about six canning factories that will be seriously affected by this treaty. I have protests from all of them, and when they protest, it is an indication that every farmer who supplies fruit and vegetables to these factories will be adversely affected, even to a greater degree than the canning interests themselves. I find here, for example, that there is put on the free list fruit pulp, not sweetened. As I think was pointed out by the hon. member for Parkdale (Mr. Spence), this may be a slight advantage to jam manufacturers because it will enable them at certain periods to lower the prices to Canadian producers by the importation of large quantities of this pulp, and then they will be able to make contracts to purchase the fruits and vegetables they require at very much lower prices. I simply want to record myself as strongly opposed to this treaty, because it imposes a burden on the very industry that should be protected and looked after. It is a common saying that when our farmers are prosperous everybody is prosperous, and we should see to it that our farmers, fruit growers and agriculturists shall, under a proper policy of protection for Canada, be given the benefit of whatever protection we can possibly extend to them. This treaty simply extends a benefit to two or three privileged interests at the expense of thousands of Canadian farmers and other important industries. Some years ago I remember a prize offered for the extermination of rabbits in Australia. When I find that we are now going to import canned meats and game of all kinds from Australia I cannot help wondering if the Acting Minister of Finance is trying to obtain that prize by the importation of Australian rabbits. There is practically nothing of advantage to the farming interests in this treaty. It will work a serious hardship on our producers, our canning interests and other industries, and it will extend a benefit to a few only. The Acting Minister of Finance said he represented a dairy district, and he thought it would not suffer from this trade arrangement. But the district he represents is almost exclusively interested in supplying the milk trade of Montreal, and in that respect he is more fortunately situated than many of the other hon. members of this House. To my mind there is only one thing for this House to do, and that is to reject this treaty as a bad bargain from the point of view of the basic industry of Canada.

9 p.m.

Mr. ROBB: We have been on this resolution since eleven o'clock; it is now nine, and there was an idea expressed on all sides of the House that we should if possible prorogue this week. Canada has been trying to effect a trade agreement with Australia since 1889. To effect a trade agreement there must be concessions on both sides. I was somewhat interested in the statement of the leader of the Progressive party (Mr. Forke) that he could not vote for the treaty because of the duty on raisins. I may remind the hon. member that had he remained in Scotland he would up till recently be paying a little over two cents a pound by way of duty on raisins, and if he were there now he would be paying a cent and a quarter a pound. We propose to put them on the free list. The difficulties in effecting a trade agreement with Australia have largely been due to what I pointed out earlier in the day. For the year ending 31st March, 1925, our total imports from Australia amounted to $2,634,713 and our total export to Australia for the same period was $12,037,203. Very naturally the people in Australia said, "The balance of the trade is so much in your favour that we have difficulty in putting a measure through our parliament." I will admit frankly and at once that the greater concession given to Canada under this arrangement is with respect to newsprint. I estimate that on the basis of the total requirements of Australia during the two years 1920-21 and 1921-22, when the average importations were 63,893 tons, the preference given to Canada under this arrangement will

be worth about $900,000. That $900,000 of a preference will enable Canadians to manufacture their own wood pulp in their own country rather than export the pulpwood, and that is what we have been contending for. Then, another considerable advantage to Canada will be the concession that we are obtaining in respect to canned fish, which, on the basis of the business that we did with them in 1922-23, will be worth $177,983 to the exporters of canned fish. Then there is some concession on motor chassis, which will be worth a little over a quarter of a million dollars. However, to-day I have placed on record, and it will be found on Hansard to-morrow, a statement of the trade, the production and exports of Canadian products that are involved in this agreement. I think it would be better that hon. gentlemen should have the opportunity of studying those statements before being called upon to vote, and I therefore move that the committee rise, report progress, and ask leave to sit again.

Mr. MACKENZIE KING: Before that motion is put, Mr. Chairman, I think it is—

Mr. MEIGHEN: Mr. Chairman, if the motion is to be debatable, it is to be debatable all round. It is not debatable under the rules.

Mr. MACKENZIE KING: Very well.

THE IMPERIAL PRIVY COUNCIL

APPOINTMENT OF CHIEF JUSTICE SIR WILLIAM MULOCK AND THE HON. GEORGE P. GRAHAM

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with your permission and the permission of the House, I have a brief announcement which I should like to make and which I am sure the House will be pleased to receive.

I have been informed that His Majesty the King has been pleased to appoint as members of His Majesty's Imperial Privy Council Chief Justice Sir William Mulock and the Hon. George P. Graham, Minister of Railways and Canals, and that announcement to this effect will be made from London to-night.

I should like, Mr. Speaker, to have the privilege on behalf of the government of which he is a member, and also on behalf of the House of Commons, to congratulate the Right Hon. Mr. Graham upon this merited recognition of his long and distinguished public service to Canada and to the empire.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, the honour of admission to the circle of His Majesty's Privy Councillors is one of the most precious and most prized to which any British subject can aspire. It comes somewhat suddenly; but I could not say by way of surprise, that this honour should be extended to the two very distinguished gentlemen mentioned by the Prime Minister to-night.

Chief Justice Sir William Mulock had a long and very distinguished career in this House, at the close of which he accepted a position of great consequence and eminence on the bench, from which he resigned to take the post of Chief Justice of the province of Ontario. His long years of service in both capacities, the fact that he is one of our grand old men, in the full possession of all his faculties, past four score years, certainly warrants the step which has been taken, and he is entitled to the congratulations of us all.

We, of course, in this Commons of to-day are more interested in our fellow-member, and I am sure I speak whole-heartedly the sentiments of hon. gentlemen behind me, as were I opposite I would speak the sentiments of hon. gentlemen there, when I say this information comes to us as glad tidings, and we whole-heartedly rejoice in the fact that the Minister of Railways has been given this distinction at the hands of His Majesty.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, it is indeed to me a great pleasure to rise and extend my congratulations to the two distinguished gentlemen whose names have just been mentioned. With Sir William Mulock I am not acquainted, but I know something of his long and distinguished career, and I am glad of the honour which has been conferred upon him.

But coming to speak of our well-beloved—shall I say?—fellow-member, the Minister of Railways, a few moments ago I made the statement that when one rises to speak, there always seems to be a mixture of good and evil, but on this occasion it is all good. I am sure all of us in this House, without distinction of party or place in this chamber, rejoice in the honour that has come to the Right Hon. Mr. Graham. We admire his ability, we appreciate his humour, we know something about his common sense, but indeed, were I to attempt to enumerate all his virtues, words would utterly fail me. Without taking up any more time, let me say, and I know when I say this I speak for all associated with me in this part of the House, that we are delighted that this honour has come to our fellow-member.

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, I assure you that I appreciate to the full this distinction, and I appreciate it as a real dis-

tinction. In the hurly-burly of public life many things are said, many things are done, but, after all, kind hearts are more than coronets, and the appreciation of one's fellows is the greatest thing under the sun. I want to thank the right hon. leader of the opposition for his very kind words. I know they are sincere; also my good friend who leads the Progressive party (Mr. Forke), and to say to my honoured leader and to every member of the House that I hope the Canadian parliament and the Canadian people will not regret this step.

CANADA GRAIN ACT AMENDMENT

The House resumed from June 20th consideration in committee of Bill No. 113, respecting Grain.—Hon. Mr. Low.—Mr. Gordon in the chair.

The CHAIRMAN: When progress was reported, section 40 was under consideration by the committee.

On section 40—Standards established by grain standards board.

Mr. COOTE: On Saturday last I see I am reported in Hansard as saying that I thought the inspectors at Calgary and other points should be members of the grain standards board. I did not intend to state they should be members, but I think they should attend the meetings of the grain standards board.

Section agreed to.

Sections 41, 42 and 43 agreed to.

On section 44—grain survey board.

Mr. COOTE: I should like to make a remark or two, but I do not know whether this is the proper place to mention the matter. There has been a great deal of complaint that grades in the eastern division were not of the same standard as those in the western division, and there is some complaint that the survey board in the eastern division should be appointed from persons nominated by the boards of trade of Toronto and Montreal. I do not wish to delay the committee, and I am not going to make any protest against this section, but I would like to present a resolution passed by a local of the United Farmers' Association at Bawlf, Alberta. It reads as follows:

Whereas the grading of Canadian grain is dependent on the judgment of deputy inspectors;

And whereas, operators of private elevators (mixing houses) by reason of direct contact with inspectors may influence them to pass questionable mixtures;

And whereas several large Canadian exporters, millers and corporations operate public elevators in the eastern divisions, and under section 10 of "Rules and Regulations for Sample Market Trading," notwithstanding the provisions of the Canada Grain Act (section 229, subsection 5) to the contrary, are permitted to mix grains for their patrons and possibly operate to their own advantage, which practices should be carefully and impartially supervised;

And whereas we believe the grading of "Country run" grain and "Export" grain should be more uniformly the same as to quality;

And whereas we believe uniformity of grading can best be attained by frequent interchanging of deputy inspectors;

Therefore be it resolved that we recommend to our representatives at Ottawa that in the revision of the Canada Grain Act, provision be made for the systematic interchanging of deputy inspectors, particularly as to staff inspecting grains into terminal elevators, and other deputy inspectors also, as to the Eastern and Western routes.

I want to suggest that while we have the chairman of the Board of Grain Commissioners here, if the survey board in the eastern division are to be nominated by the boards of trade of Toronto and Montreal, many of whom are in this grain trade and it is presumed they would interest themselves in the appointment of this survey board, I think it would be in the interests of the grain producers and of the whole grain trade that these inspectors should be changed occasionally from the eastern to the western inspection division, and in that way possibly they would arrive at some uniformity in the grading of the wheat in those two divisions. At the present time there is a feeling that the grades in the eastern division are lower in standard than the grades in the western division, and as I have pointed out it is affected by this section, because the survey board is the final court of appeal for the grading of our grain. I think that the best way to keep the grading uniform between the two divisions would be by taking the western inspectors and having them work in the eastern division for certain periods of the year, and placing the eastern inspectors in the western division. It is possible this may be covered under some other section, and I may be making the statement at the wrong time, but I do not know on what other section of the act I could bring it up.

Mr. STEWART (Argenteuil): I think my hon. friend is under a misapprehension. The survey board and the inspection in the east is for eastern grain, and the appeal board in the west is for the western grain. My hon. friend states that the inspectorial forces might be changed, but they are inspecting different grain, and I do not think the proposition would be beneficial. You could not take the inspection of the Bawlf wheat here and apply it to western Canada.

Mr. COOTE: Would the survey board inspect grain after it left Fort William for Montreal?

Mr. MOTHERWELL: No, only for the eastern division.

Section agreed to.

Sections 45 to 56 inclusive agreed to.

On section 57—Powers of weighmaster.

Mr. MEIGHEN: I think those who are carrying these sections have not yet read them. I have tried to follow down to 54 and we are now at 55.

The CHAIRMAN: We are at 57.

Mr. MEIGHEN: The Chairman does not expect we can carry the sections like that. What is the real change in section 54.

Mr. STEWART (Argenteuil): I do not see any change from the old act here, excepting that they come under the control of the Civil Service Commission. There may be a slight change in the wording, but no change in the meaning.

Mr. MEIGHEN: How was it before?

Mr. STEWART (Argenteuil): It is section 62 of the old act and reads:

The minister, upon the recommendation of the board, may appoint in and for each division a chief weighmaster, whose duties and powers shall be defined by the board, and may also, in any place where inspection of grain is authorized under this act, or where is situate any public, eastern or terminal elevator, appoint a weighmaster and such assistants as are necessary.

Section agreed to.

Section 58 and 59 agreed to.

On section 60—Official seal—evidence.

Mr. MEIGHEN: This is for sealing the sample.

Mr. STEWART (Argenteuil): It is a seal placed on the certificate of inspection and weights.

Mr. MEIGHEN: They were always sealed, were they not?

Section agreed to.

Sections 61 to 72, inclusive, agreed to.

On section 73—Grain of same grade kept together—certificates for mixed shipment.

Mr. MEIGHEN: Will the minister explain the significance of this change?

Mr. STEWART (Argenteuil): It is simply to include grain loaded into cars as well as grain loaded into vessels.

Mr. MEIGHEN: Does the certificate give the proportions where there is a mixture like that?

[Mr. Coote.]

Mr. STEWART (Argenteuil): It is on the face of the certificate.

Section agreed to.

Sections 74 to 78, both inclusive, agreed to.

On section 79—Research department.

Mr. GARLAND (Bow River): Under this clause, will provision be made for the publication and making available to the public of reports of this research work? I remember there was some dispute as regards the research work done by the Dominion at Winnipeg during the last year, and some criticism was levelled, possibly unjustly, at this administration for the absence of reports. I refer to Dr. Birchard.

Mr. STEWART (Argenteuil): I cannot speak for the minister, but I see no reason why they should not be made public. They are for the benefit of the trade and the producer. Surely they should be given to the public.

Mr. GARLAND (Bow River): That is my opinion, and that is why I was rather astonished to notice that no provision was made for the publication of those documents, for making them available to the public; nor is the minister himself, according to his statement, in a position to assure the committee that these documents will be published.

Mr. STEWART (Argenteuil): I think I can say on behalf of the government that they certainly would be. The real value of the work would be the publication of the results obtained. I understand recent work of this character has been made public.

Mr. CAMPBELL: Will Dr. Birchard be in charge of this laboratory, or is he still with the department?

Mr. STEWART (Argenteuil): I cannot give my hon. friend information to that effect. I have no knowledge about Dr. Birchard at all. I understand there was some discussion with reference to this gentleman.

Mr. GARLAND (Bow River): In that case, I would call the attention of the minister to the fact that there is going to be unnecessary overlapping. The first subclause of this clause reads:

The Board of Grain Commissioners shall maintain an efficient and adequately equipped laboratory for grain research work and for the purpose of assisting the chief inspector and grain standards board in determining the grades and the milling value of grain.

Determining the latter was certainly one of the chief works undertaken by Dr. Birchard, and if he is still to continue at that kind of

work and to have an additional research laboratory of this kind set up, it looks to me like unnecessary duplication.

Mr. CAMPBELL: It appears to me absolutely essential that the services of Dr. Birchard be retained and that he be put in charge of this work. In my opinion—and I have had occasion to consult a good deal of his work—he has done valuable work in this particular line. The Minister of Trade and Commerce (Mr. Low) and the Acting Minister of Finance (Mr. Robb) on a previous occasion in the House intimated that Dr. Birchard had not given them reports or had given them very few reports. I have had occasion to look up a number of those reports since, and I find Dr. Birchard has done a great deal of work. It seems to me that his services have not been fully appreciated. Before we pass this clause, we should have some assurance from the government as to what they propose to do, first, whether they expect to retain him in that position or not, and, second, what they intend to do with the reports after they are secured.

Mr. STEWART (Argenteuil): In all probability the minister (Mr. Low) will be in charge of the bill before it is finally passed by the committee, and that matter had better be taken up with him. I have no definite knowledge with respect to Mr. Birchard. I expect he does his work very well. I heard some discussion in the House with reference to his work, but I cannot give a definite promise that any particular individual is going to be retained.

Mr. MEIGHEN: Is the minister (Mr. Stewart, Argenteuil) only minister ad hoc, or has he taken over the department?

Mr. STEWART (Argenteuil): I am acting for the minister just for to-night.

Mr. MEIGHEN: Is this a new venture or has this laboratory been conducted all along?

Mr. STEWART (Argenteuil): This is not new except, perhaps, that it is new in the statute. This work has been going on.

Mr. MEIGHEN: Is it conducted at Fort William?

Mr. MOTHERWELL: At Winnipeg.

Mr. CAMPBELL: I would ask the minister to let this clause stand until the Minister of Trade and Commerce is here.

Mr. STEWART (Argenteuil): I would be glad to meet my hon. friend's request; but if it is a question of an individual, we will guarantee there will be a discussion with respect to him. With regard to the clause providing all that is adequate and necessary for carrying on the work of the laboratory, inspectional work, testing work, my hon. friend does not want to add or detract anything from it?

Mr. CAMPBELL: No.

Mr. STEWART (Argenteuil): The question is simply one of discussing the present incumbent?

Mr. CAMPBELL: Yes.

Mr. STEWART (Argenteuil): That can readily be done at a later stage in the bill. I will give my hon. friend the definite promise that opportunity will be given.

Mr. MEIGHEN: I would suggest to the minister that this scientific work should not be considered part of the administration of the Grain Act so as to be chargeable against the grain growers. This scientific work is done for all other industries in Canada as a government charge. It would not be fair to include it in the cost of the grain administration in order to arrive at the charges that ought to be made against the producers.

Mr. STEWART (Argenteuil): This official is working under the provisions of this act directly in conjunction with the officers who are administering the act.

Mr. MEIGHEN: That is quite proper.

Mr. STEWART (Argenteuil): His salary and the upkeep of the laboratory do not constitute a very serious matter when the work is beneficial to the whole grain trade.

Mr. MEIGHEN: I am in favour of it, but it should not be considered part of the general expenses in arriving at an estimate of what the charges should be to the producers. It should be considered separate and distinct from that. Naturally it should be conducted where the grain is.

Mr. STEWART (Argenteuil): Inasmuch as he is associated with all other members of the staff who are dealing with this matter, I cannot see that there should be any serious distinction. I would like to see him continue just as he is.

Mr. COOTE: There was a good deal of discussion in the House some time ago as regards testing the grain for protein contents. I wonder whether the minister could give us any assurance that this research laboratory which is to be kept at Winnipeg will make chemical tests to determine the protein content of samples of wheat for the producers?

Mr. STEWART (Argenteuil): They are doing it now; that is part of the work.

Mr. CAMPBELL: There appears to have been some doubt in the minds of a good many hon. members as to whether this work was to be continued. I understand that the purpose of the section is to equip and maintain a laboratory to carry on the work that Dr. Birchard has been doing. I think we should have some more definite information as to what it is proposed to do. A great many farmers to-day think that they are not obtaining the full milling value of the wheat, and I understand that the purpose of this provision was to permit any farmer to send, over and above the regular grades, samples of wheat to the laboratory at Winnipeg to secure a certificate showing its protein content. That would enable him then to secure a special market if he could establish the fact that he had a product above the average. I presume that is the purpose of this clause.

Mr. SALES: I do not believe that the government is responsible at all for the introduction of this clause. This was introduced by my hon. friends in this corner of the House. We amended the clause in the committee for two or three different reasons. First of all, it was felt that the laboratory should work more in conjunction with the inspectors, and we thought that the work could be of more advantage if the efforts of the two were correlated so that the inspectors might have the benefit of the chemical tests. This would also be of value to the farmers. There was also a doubt as to whether this laboratory work would be continued in Winnipeg. In discussing the matter the Minister of Trade and Commerce seemed to be uncertain as to whether it would be continued or not, and that is why we introduced the clause. We are putting the matter under the Board of Grain Commissioners so that there shall be no doubt so far as the laboratory is concerned.

Mr. MILLAR: At another time I may speak at some length on this matter, because I have been studying it for the last three or four months. I do not propose to take up much time to-night—

Some hon. MEMBERS: Hear, hear.

Mr. MILLAR: Hon. members say "hear, hear." Well, I have not spent much time in debate this session and it is my intention to take up just as much time as I need. Hon. gentlemen may therefore just as well sit back and take it easy. There have been some informal conferences with the Minister of Trade and Commerce in regard to the chemical tests, for protein content, of carloads of grain. For twenty years the farmers have been advocating that the grain should be sold at milling value. They find that this works out very well in the United States. A neighbour of mine had a letter from a friend in Montana a short time ago and he found that he had sold his wheat at a premium of 16 cents per bushel. In discussing the matter at these conferences the minister has signified his willingness to go as far as we wish him to go this year, and the only request made is that he take a moderate step looking to the time when wheat may be handled in Canada on a basis of protein content. That is why there has been no effort to press the suggestion that it should be placed in the Grain Act. I think the answer given by the minister in these conferences has been entirely satisfactory. The feeling is that where the mills have in the past been taking out the best of the wheat, getting a product worth six, eight, ten, and anywhere from twenty to thirty cents more than the average, the farmers ought to derive some advantage in this direction; and it is hoped that in the future they will do so. But there are many difficulties in the way. There is, for example, the difficulty of handling grain and for that reason those around me who believe that something should be done in this matter are not pressing it strenuously at the present time. Personally I have spent more time considering this subject than any member in this group, and I am quite satisfied with the attitude which the minister has taken.

Mr. GOULD: I think the change is beneficial in that the laboratory at Winnipeg, or wherever it may be established, will be under the Board of Grain Commissioners rather than under the Department of Trade and Commerce. This I think is wise for the simple reason that the work of the laboratory will be more available to the board as well as to the chief inspector. Being a producer of wheat myself, I have naturally paid some attention to the matter of protein and gluten content of wheat and I have been interested in trying to find justifiable causes for agitating that a real recognition should be given the merits of the wheat which we produce, so that the producer may be warranted in asking for the full value of his product. I welcome the amendment, which renders unnecessary a good deal of the remarks I intended making. I hope that the chief grain inspector as well as the board will make full use of the laboratory, which is thorough in every respect and is fully equipped, and that as a result of its work there will be an increase in the price of our grain.

Section agreed to.

Sections 80 to 82, inclusive, agreed to.

On section 83—Inspection within Winnipeg district.

Mr. GARLAND (Bow River): I should like to have some information regarding subsection (4) relating to re-inspection at Fort William. It is feared in western Canada that the re-inspection as at present undertaken is not unbiased. For example, a car of grain is inspected at Winnipeg and the grade is then wired back before the re-inspection is made. We may be wrong, but we believe that the inspector at Fort William is made aware of the grade that is given at Winnipeg, and if this is the case it is a most unjust method of re-grading the grain. The inspector then writes to us a little note something like this: "As requested, I have had the inspector at Fort William again examine the grain in this car upon arrival and I am in receipt of his reply that he found the grain to be only as inspected and could make no change." I wish to know whether the inspector who makes the re-inspection at Fort William is made aware of the grade that has already been given at Winnipeg. If that is so it is something that should be stopped.

Mr. STEWART (Argenteuil): He is not made aware of the first grade; he has to make it on his own responsibility from his own sample.

Sections 84 to 86, inclusive, agreed to.

On section 87—Board to have control of storage and shipping of grain. Special binning forbidden. Exceptions. Powers of inspector as to cleaning. Stock-taking. Additional stock-taking.

Mr. EVANS: Mr. Chairman, I beg to move, seconded by the member for Maple Creek (Mr. McTaggart):

That subsection 4 of section 87 be amended by striking out all the words after line twenty-six down to and including line thirty and substituting therefor the words, "any surplus is found such"

The subsection will then read:

If in any year any surplus is found, such surplus shall be sold annually by the Board of Grain Commissioners and the proceeds thereof paid to the said board.

That does away with the terminal elevator docking one-quarter of one per cent off each car of wheat. The wheat is weighed by the government weighman both in and out. One-quarter of one per cent is taken off the farmer at the initial elevator, and at the end of each year this must amount to a tremendous surplus. For example, on a car of 1,500 bushels it means three and three-quarter bushels, which at the prevailing price would be worth six or seven dollars. This is a direct loss to the farmer.

Mr. STEWART (Argenteuil): Mr. Chairman, not having been present at the meetings of the committee on Agriculture, I should like to know if this matter was discussed there, because I think in fairness to the elevators, if you are going to take all the overages, then you must in some way recompense them in case of shortages. We must play fair both ways.

Mr. EVANS: I do not think there need be a loss at the terminal elevator. The dockage is taken off at the initial elevator also and I claim that when a car is weighed at the terminal elevator it cannot take one-quarter of one per cent to balance the scales. It is too much, and is a very great loss to the farmer. I claim the grain can be weighed without any loss, and that therefore there need not be that loss at the terminal elevator.

Mr. STEWART (Argenteuil): My hon. friend does not suggest that it is taken off the car by the weighmaster. He weighs the car and, as I understand, if there is an overage in the terminal beyond a certain amount the grain board take possession of it and sell it for the benefit of the board. My hon. friend now suggests that the board take it all. I have no brief for the elevators, but I think in fairness to the trade my hon. friend should be willing to recompense any loss that may occur. He is not providing for this, indeed he says it cannot happen. I assume the section came from the committee in this form, and must have been discussed there very thoroughly; therefore presumably they thought it was a fair proportion.

Mr. SALES: Mr. Chairman, I support the minister in his contention that we must be fair in this matter. The hon. member for Saskatoon (Mr. Evans) says that a shortage cannot occur, but I would inform the House that last year a considerable shortage in wheat alone did occur in a very big terminal elevator. I agree with the minister that if we take all this overage, we must in fairness to the elevators assume responsibility for any shortage. Correct weighing in and out of elevators is almost an impossibility, and has been so proved. My hon. friend from Saskatoon was connected for many years with the same company as I was, we sat on the board together, and he knows that we offered our men a bonus

for correct weighing, correct grading and correct docking, yet in spite of that encouragement to them we could not attain our object. As directors we asked ourselves this, and my hon. friend knows it just as well as I do: What does the farmer need for a fair deal? Our conclusion was that he needs correct weighing, correct grading and correct docking. As I say, we offered a bonus for these three essentials, and never in our experience did our men manage to be correct in all three. It is an absolute impossibility.

Mr. BROWN: I am sorry, Mr. Chairman, that the member for Saskatoon has given an indication that he does not understand the system of overages at all when he says the overage is taken off at the initial elevator. I find there is a tendency to confuse the overage in the initial elevator with the overage in the terminal elevator. They are two quite different things, and to assert that this one-quarter of one per cent is made provision for at the initial elevator is to state what is absolutely apart from the facts. The overage accumulated in the terminal elevators is accumulated in a way entirely different from the overages accumulated at the initial elevator. The amount that goes from the initial elevator is the gross amount that enters into the terminal elevator, and it is from that gross amount that the overage is calculated. You must cut the one transaction entirely apart from the other if you are to arrive at a just understanding of the situation.

Mr. EVANS: Mr. Chairman, this is the second time that the shrinkage is taken off the farmer, and I claim that once is sufficient.

Mr. BROWN: No, it is not the second time.

Mr. GOULD: Mr. Chairman, I think the point is that one-quarter of one per cent is the legal amount the terminal elevator can take for itself. It appears to me that is not going to crush the agricultural industry if it is the only profit that the terminal elevators take. If it were one bushel, or twice as much, perhaps we might have some cause to protest. What we have protested in the past is that anything over the one-quarter of one per cent has been take by the government and applied to consolidated revenue, and as producers of grain in the west we have felt that we were being asked to pay a greater amount of taxation than other industries. I think that is really the gist of the representations made to the Royal Grain Commission. We recognize that the elevators must have some license, or we have got to be responsible for any shortages which may occur. I do not argue that shortages have occurred very often in the past. In fact the question of shortages is perhaps featured more by the trade than is necessary; never yet have I heard them feature overages. With this provision of one-quarter of one per cent I think we may as well agree with the special committee and say: "Here, you may have your one-quarter of one per cent," and hold the terminal elevators responsible for any shortages that may occur.

Mr. BROWN: This method of setting the overages has received a good deal of consideration from the Canadian Council of Agriculture. It is a method to which I have given my adhesion up to the present time; I am only sorry it has never had a chance, on account of the ruling of the courts, to show how it would work itself out. It may be found when the act comes into operation that the particular fraction mentioned, one-quarter of one per cent, is too much. But what is needed is a proper study of the matter so as to understand the source from which this overage in the terminal elevator is derived. I think if that was fully understood it would be seen that the proposed method is a fair one. Let us try to do away with some of this confusion. Take a carload of wheat that a farmer puts in a country elevator. A shrinkage of one-half of one per cent is allowed the elevator man. Apart from that, and apart from the dockage set by the inspector, he has to give the exact weight that is taken in, so that to try and give the impression that there are three and three-quarter bushels taken off, covered by this one-quarter of one per cent, is absolutely away from the mark. I will not say that the country elevator man may skimp the farmer in his weighing; that is a possibility, but it is something that is not touched in this act. As I said before, we have to cut that transaction off right there, and the gross amount that is loaded into the car or goes to the terminal elevator is the amount upon which the overage is based. Even that, perhaps, is hardly a correct statement, because the quarter of one per cent is really based upon the net amount to which the farmer is entitled. So that if the elevator owner has to render an account say on a four per cent dockage car of 960 bushels, the quarter of one per cent is based upon the little overage that may be over. For instance, in cleaning the car no elevator man can clean exactly to the amount of dockage set by the inspector. On a four per cent car the elevator operators are required by law to give the farmer 960

bushels. But no man operating that big machinery, or even a farmer with a fanning mill, could clean through a car of wheat and get exactly 960 bushels out of it. So the elevator owner probably tries to make himself safe, and that is where the trouble has been in the past; he has made himself so safe that he has accumulated big overages. Almost in the necessity of things there is either an overage or a shortage, and naturally he tries to get a little overage. The law steps in and says that that overage shall not be too big; if you have an overage of more than one-quarter of one per cent we will take it away from you. I should think that such a system would tend to efficiency in the operation of elevators. If you took all the overage the operator would say, "Well, it does not make any difference; the government is going to step in and take the overages or make good the shortages, so it does not matter to me which way it goes." It seems to me that if this system is given a chance to work itself out, while the fraction might have to be changed, the results will prove to be beneficial and tend to the proper working of the act.

10 p.m.

Mr. MILLAR: Certainly some small amount should be allowed to the terminal elevators. How much is allowed to the American elevators? I do not say that we should necessarily follow the Americans, but I understand it is less.

Mr. STEWART (Argenteuil): I am informed that they have no arrangement for adjustment or protection, one way or the other.

Mr. MILLAR: Is there no allowance to the terminal elevators?

Mr. STEWART (Argenteuil): I am told that nine-tenths of the elevators there are private elevators.

Amendment (Mr. Evans) negatived.

Section agreed to.

On section 88—Taking over of screenings and disposal.

Mr. GARLAND (Bow River): I would like an explanation of this section, especially with regard to the last three lines, which read:

Provided that this section shall not come into force before the first day of August, 1927, and only then upon the recommendation of the board.

Mr. STEWART (Argenteuil): I was not in the committee and did not have the privilege of listening to the discussion. Frankly this does seem a rather peculiar section.

Mr. GARLAND (Bow River): The minister has at his right hand the Minister of Agriculture (Mr. Motherwell) who, I think, knows all about it. I would like to have an explanation from him.

Mr. MOTHERWELL: I am not the author of this.

Mr. GARLAND (Bow River): We have the minister in charge of the bill admitting ignorance of the application of the section, and the Minister of Agriculture claims no knowledge of it.

Mr. MOTHERWELL: Oh, I know about the section. I think it was an hon. member on my hon. friend's own side who suggested it.

Mr. SUTHERLAND: What particular significance is attached to the first day of August, 1927?

Mr. STEWART (Argenteuil): So far as I can learn, it is the date when the new crop year begins in western Canada, and the period at which the weighing up takes place, and so on. That is the only explanation I can give my hon. friend. Frankly I do not know why a section like this comes from the committee, unless it is to give time to consider the matter. I should be very glad if some member of the committee would explain it.

Mr. SUTHERLAND: Would the minister's explanation imply that there will not be any screenings on weed seeds during the next two years?

Mr. STEWART (Argenteuil): Oh, no; there will be screenings, but the provisions of this section will not apply before that.

Mr. LADNER: Why is the control over the screenings placed with the Governor in Council instead of being left with the board or otherwise kept out of politics? Screenings and politics are bad things to mix.

Mr. BROWN: Those on the committee representing the producers really did not want this section put in at all. You will notice by referring to the first draft of the bill that there was a suggestion that the Governor in Council might take over all the screenings, and sell them under their authority, making proper returns to the producers. Those representing the producers were not particularly enamoured of that proposition. We would have been quite willing to have had that

clause eliminated altogether. There were those, however who had an interest in the use of these screenings who seemed to feel that there was a possibility of the government, in their interests, taking over these screenings and screening them up fine enough so that there would be no menace to the farms of the east. That is the situation. As far as the producers are concerned, we are quite willing this should be eliminated altogether, as we do not see much prospect of making it work out in our interests. However, we have no objection to this going into the act the way it stands, because with two years to consider the matter something might be worked out to meet the wishes of those who consume these screenings, and if they desire this provision, well and good. But so far as the producers are concerned, you can eliminate the whole thing.

Mr. SUTHERLAND: The explanation given on behalf of the government by the hon. member for Lisgar (Mr. Brown) is hardly in accordance with the facts. He states the producers are quite satisfied, but that some other interested parties are anxious that some provision should be made to take care of these screenings because they want to secure them for feed purposes. Those who objected to the stand taken by the hon. member for Lisgar objected for a very different reason than that alleged, not that they wished to get them at any price, but that they wished to protect this country from the great scourge and menace of the distribution of noxious weeds under which it suffered, and it was in order to control and regulate in so far as is possible the spread of noxious weeds in this country that they objected. For that, and for no other reason, did any controversy arise in the committee over this clause. This is a new section introduced into the first draft bill submitted and which has been emasculated in this way by the amendment which was moved in the committee. In order to prevent the provision coming into effect they put it off for two years from the first of next August. The hon. member for Lisgar states that they were quite satisfied with the act as it was, and to leave this whole section out, but in order to overcome the effect of the clause, they had the original section amended in committee.

Mr. BROWN: I must absolutely deny the statement made by the hon. member.

Mr. SUTHERLAND: What statement?

[Mr. Brown.]

Mr. BROWN: The statement I made was strictly in accordance with the facts. I said that those representing the producers were willing to have this particular section eliminated, and that it was not at our request that it was continued there. It was at the request of those representing other interests that it is here at all.

Mr. SUTHERLAND: I must give the hon. member for Lisgar to understand that he does not represent the only producers in this country. There are others who are engaged in production just as much as the hon. member for Lisgar, and it was for the very reason I have outlined that they objected to the provisions which are contained in this section which is now before the committee.

Mr. BROWN: I am speaking of producers of western grain.

Mr. SUTHERLAND: The Royal Grain Inquiry Commission went into this matter very thoroughly indeed, as they were justified in doing, and their recommendation as contained in their report referred specifically to the need for doing something along this line. Their recommendation was designed to overcome this menace from which we are suffering to-day. Now we are asked to believe that this is quite acceptable to the producers. I do not know why the hon. member for Lisgar should claim a monopoly in that regard. If he had undertaken to speak for the Progressives, I could understand it, but when he undertakes to speak for all the producers, I must take exception.

As I pointed out, this is a new section, and in this connection I might refer to the report of the Royal Grain Inquiry Commission when dealing with this matter. They put on record in their report the legislation passed by the provincial governments of Alberta, Saskatchewan and Manitoba, regulating this menace to which Ontario, Quebec and the eastern provinces are subjected. These western provinces have the most rigid regulations regarding control over the screenings at elevators and elsewhere, and they take every precaution to see that they are not distributed over the western provinces. Not only that, but owners of threshing outfits are compelled by statute to see that their machines are thoroughly swept on moving from one firm to another so that they do not carry from farm to farm an accumulation of the small noxious weed seeds which gather in the machines. The Grain Inquiry Commission make it quite plain that it is a very easy matter to take these seeds out on the farms where the threshing takes place, that that is the proper place

to do this work, but for some reason or other the producers from the west, as the hon. member for Lisgar states, are anxious that they shall ship their stuff out from the elevators and have it disposed of as in the past. The railway nights of way in this country from the Atlantic to the Pacific are absolutely infested and polluted with noxious weeds to-day as a result of carrying grain with a large percentage of weed seeds in it which shake out of the cars on to the track. It is easy to estimate that hundreds of millions of dollars have been lost to the people of Canada by the lack of control over this nuisance which has spread over the farms of Canada. If my friends from the west are determined that this clause shall be passed as it is, and I presume they have sufficient influence with the government to have their desires carried out in almost any respect, there is one thing I will predict, although I do not profess to be a prophet, and that is that at no far distant date the legislature of the province of Ontario will take the same precautions that have been taken by the provinces of Alberta, Saskatchewan and Manitoba in regard to control over this nuisance, and when that day comes, my hon. friends will find that it will not be a case of disposing of their screenings at a good price, as is the case at present, but it will be a matter of having them destroyed absolutely. That is the way this nuisance will be controlled if a reasonable control is not provided in this bill.

I am inclined to think from observations made by the Minister of Agriculture (Mr. Motherwell) that he is not in favour of having this matter left as it is. Legislation was passed by this parliament two years ago giving the government control over the screenings in such mill feeds as bran and shorts. The results of that legislation have been so satisfactory that I am glad to have this opportunity, of paying the Minister of Agriculture the compliment of having consented to the passing of legislation which has given such satisfaction as this control has given. This is just another step along the same line, if control is exercised over it. We have a branch of the Department of Agriculture at the head of which are some experts who have taken a great interest in this matter, and by passing the legislation as it was drafted in the original bill, this matter will be brought under the Feedstuffs Act, so that these officers can exercise some control over it and prevent more than a small proportion of noxious weed seeds being sent out over the country in this way. Otherwise, if the clause remains as it is, there is absolutely no control, and the situation will continue as at present. I therefore move:

That all the words after the word "therefrom" in the first line on page 22 of the bill be struck out.

Mr. LADNER: I would like an answer to my question. I am raising the point because it is important to Vancouver. Representations have been made to me regarding the screenings, and they want to know something about them. The section says:

The Governor in Council may make provision to take over from public terminal elevators the screenings cleaned from grain at such elevators and to dispose of such screenings—

And so on. I am not referring to the noxious weeds part of it, but to the sale of the screenings. The clause says that proper charges to be fixed by the board shall be allowed public terminals for cleaning and removing the dockage from the grain, and the Governor in Council may allow such compensation as may be deemed proper to the owners of the grain for the screenings removed therefrom.

I am not an expert in grain, and I may be speaking in an uninformed manner, but it seems to me not a sound thing that the Governor in Council should have the power of fixing the price, when the price should be dependent upon the market, and the owner should be entitled to the most he can get for his grain; otherwise it would be possible for the Governor in Council to slide these screenings into the hands of some party at a ridiculously low price, and I am told that on occasions such things have happened.

Mr. STEWART (Argenteuil): I think the hon. member is attaching too much importance to the expression "Governor in Council." After all the board would operate, as they do operate, as appointees of the government. No doubt somebody would be appointed under the board to sell the screenings, and the price of the screenings fluctuate the same as grain.

Mr. LADNER: Why do you distinguish between the Governor in Council and the board?

Mr. STEWART (Argenteuil): There is no provision apparently in the act for the method of handling the screenings. My hon. friend will notice that the owners of the screenings are to be compensated. It is all right in theory, but it would be a rather complicated and difficult thing in practice to carry out. I favour the producer getting all he can out of his production, but all that the Governor in Council would do would be to have the board operate under the provisions of this section, and that can only be done in one way. The board would appoint

some one at Vancouver to take charge of the screenings, and to turn the proceeds, after the costs of the operation, to the owners of the screenings.

Mr. LADNER: This section distinctly and directly makes a distinction between the power and authority of the Governor in Council on the one hand and the board on the other hand. That is done for a purpose and done with an intention—no doubt about it. It is my doubt and suspicion of that intention that causes me to discuss the matter.

Mr. STEWART (Argenteuil): If my hon. friend considers the matter for a moment he will see that the very question raised by the hon. member for Oxford is provided for; that is, as to the prevention of the spread of noxious weeds. The board is not an interested party in the spread of the noxious weeds. The board would be interested in connection with the screenings and disposal of the same, but on the other hand the disposal of the noxious weeds would come under another department. Therefore you have the Governor in Council coming in.

Mr. LADNER: The minister is confusing the matter, although perhaps not deliberately. It is not the noxious weeds I am talking about, nor am I referring to the portions of the section which make a distinction between the authority of the board and the authority of the Governor in Council with respect to noxious weeds. It is with respect to the sale of the screenings, that the proper charges to be fixed by the board shall be allowed public terminals for cleaning and removing the dockage from the grain. This is the one part. On the other hand the Governor in Council may allow such compensation as may be deemed proper to the owners of the grain for the screenings removed therefrom. My point is that the Governor in Council should not interpose at all, but, that the board should sell the screenings for the advantage of the producer in the best market. The Governor in Council should be out of it. Could the minister indicate any reason why the Governor in Council should be brought into it, so far as the sale of the screenings is concerned?

Mr. STEWART (Argenteuil): Not for a moment, if you are not embodying in the same section the noxious weeds; but you have the two combined in the one section, and as a lawyer my hon. friend will recognize the difficulty. I will say to him that the board will handle the sale of the screenings.

[Mr. C. A. Stewart.]

Sir HENRY DRAYTON: Is there any value in the noxious weeds?

Mr. STEWART (Argenteuil): No, they are a menace and must be taken care of. You cannot throw them overboard.

Mr. CRERAR: I think there is a little confusion in the mind of my hon. friend from Vancouver South (Mr. Ladner) in respect to this clause. I suggest to my hon. friend that he had better settle his differences with the hon. member for South Oxford, because they stand on quite different ground altogether.

Mr. LADNER: I am not talking politics.

Mr. CRERAR: We may infer from my hon. friend's remarks that the hon. member for South Oxford was talking politics. The method by which these screenings have been handled in the past has been this: The inspection department set the scale of screenings, the amount of dockage, and that was taken out when the grain reached the terminal elevator. In the case of cars that did not contain an excess of three per cent of dockage the elevator company retained the screenings for the services it rendered in cleaning the grain. Where the dockage was in excess of three per cent the terminal elevator made a charge for the cleaning of the grain, and made a separate return, a warehouse receipt in fact, for the amount of screenings which were held representing the dockage, the same as they do in the ordinary course of business.

Mr. SUTHERLAND: Did they return the screenings to the owner, or was he paid for them?

Mr. CRERAR: He was paid for them. The objection raised by the hon. member for South Oxford—and I see the force of it—brings up the point of conflict between the users of these screenings, who are mainly in eastern Canada, and the producers of grain in western Canada who have them for sale. The clause as originally drafted—and I understand it was drafted by Mr. Justice Turgeon when he prepared the bill—sought to get over that difficulty by entrusting the Governor in Council in effect with the power to dispose of these screenings through some agency they might set up. That agency might be the Board of Grain Commissioners.

Mr. LADNER: Why should they not specify that in the bill?

Mr. CRERAR: Or it might be some other body. I think one very good reason why it should not be the Board of Grain

Commissioners is this: The Board of Grain Commissioners is, in effect, a judicial body; it is not an administrative body buying and selling grain.

Mr. LADNER: Who would do it?

Mr. CRERAR: I do not know.

Mr. LADNER: Some political henchman, perhaps.

Mr. CRERAR: Possibly. I objected to the clause as it stood. You can set up no authority that will handle these screenings nearly as effectively in getting results from them as the method that is followed at the present time. On the other hand, the hon. member for South Oxford (Mr. Sutherland) urges that if these screenings are handled by such a body, they can be ground or treated in such a way that the menace from foul seeds can be removed from them and the food value retained. There is that conflict of opinion between the man who sells the screenings and the man who uses them.

Mr. SUTHERLAND: Where does the conflict arise? Does the hon. member desire that farmers in the east should purchase the noxious weed seeds?

Mr. CRERAR: I do not desire that at all, but I do not desire a condition of affairs to arise whereby the farmers of western Canada will get absolutely nothing for their screenings, as I believe would be the case if this were put into operation. May I refer to another point of the hon. member for South Oxford? If these screenings are a menace to the farmers of Ontario for feed purposes, the remedy lies in the hands of the Ontario legislature. They can pass the same legislation in regard to handling these screenings as the legislature of Alberta, Saskatchewan and Manitoba have already done. The amendment in the committee, to which amendment the hon. member for South Oxford objects, leaves it to the judgment of the Board of Grain Commissioners to determine whether or not an injustice is being done to the farmers of eastern Ontario who are feeding the screenings.

Mr. SUTHERLAND: After two years.

Mr. CRERAR: Yes. My hon. friend can settle that point with the Minister of Agriculture (Mr. Motherwell). I support the Minister of Agriculture. I think he was quite right in his suggestion. But in any case the general opinion of those who understand the situation, is that the menace from these screenings is going to grow steadily less each year because methods are being perfected more and more whereby the screenings are cleaned out on the field at the time the threshing of the grain is done. I would suggest that the clause pass as it is. If the hon. member for South Oxford or any other hon. member feels aggrieved, he can always make his representations to the Board of Grain Commissioners who, under the clause, after 1927, have power to cure the evil.

Mr. SUTHERLAND: What will happen in the meantime?

Mr. CRERAR: What has been happening for the last three or four years? The people will continue to buy the screenings because they have a definite feeding value.

Mr. GOULD: Another point in the clause has been entirely overlooked. The first two lines read:

The Governor in Council may make provision to take over from public terminal elevators—

The hon. member for South Oxford should be well aware of the fact that there are private terminal elevators at the head of the lakes also, and the public terminal elevators have handled in the past about 50 per cent of the grain.

Mr. CRERAR: Much more than that.

Mr. GOULD: Say 60 per cent.

Mr. CRERAR: More like 80 per cent.

Mr. GOULD: If the legislation recommended by the agricultural committee should go through, the order will be reversed and private elevators will handle 75 or 80 per cent of the grain, so that the evil that he is endeavouring to remedy will be magnified in the future, because he has not been arguing for a single bit of legislation to circumscribe the activities of private terminal elevators. If this legislation goes through in the manner which he suggested and supported in the agricultural committee, that evil will be magnified. I want the assistance of the hon. member to circumscribe that evil which we recognize as an evil. We do not wish to impose upon him. We want to bring about legislation that is going to circumscribe all the elevators, not merely the few public terminal elevators that will be left.

Mr. SUTHERLAND: Probably the Minister of Agriculture could give some information along this line. I am under the impression that those private terminal elevators come under the Feedstuffs Act. I might state, while the minister is looking this matter up, that the hon. member for Marquette (Mr. Crerar) has referred to the danger of the west

not getting full value for their screenings should this clause apply. I noticed when my hon. friend was a member of the government in 1917, he took extra precautions to see that the grain growers of the west got more than full value for their screenings. In fact, all the screenings at the terminal elevators were purchased at $35 a ton by the Department of Agriculture of which he was Minister and nearly half a million dollars was paid out in connection with this transaction.

Mr. CRERAR: I think, if my hon. friend looks up the record, he will find out that that arrangement was made before I became Minister of Agriculture.

Mr. SUTHERLAND: I think my hon. friend is mistaken. He was sworn in as a member of the government in 1917, and this move was made early in October.

Mr. CRERAR: My hon. friend is wrong again because I was not sworn in until the 12th October, 1917.

Mr. SUTHERLAND: That is what I said on the 12th October, 1917, and this order went into effect in November of the same year, whereby all the re-cleaned screenings at the terminal elevators were purchased by the then Minister of Agriculture who was also at that time president of the United Grain Growers' Grain Company. When he went out of the government in 1919, there was a deficit in connection with the transaction of over $96,000 according to the report tabled in the House. I did not wish to bring this matter up. The hon. member for Marquette must know what took place in this connection. The understanding was that those screenings were to be ground so that the vitality of the noxious weeds contained therein would be destroyed. This was not done, but they were shipped out unground and as a result the country became simply infested with noxious weeds. As a result, provision is made in the Feedstuffs Act for standard re-cleaned screenings with a small percentage of weed seed, and the latter must be ground until the vitality of the small percentage of weed seeds contained in the screenings is destroyed. In that way they become practically harmless, and there is no gainsaying the fact that there is a good deal of food value in the broken wheat, buckwheat, wild oats and things of that kind, in those screenings. It would be a shame to destroy them if they can be utilized for feeding purposes. This can be done, but some control must be exercised over them in order to see that they are re-cleaned and the vitality of the noxious weeds is destroyed. I believe some attempt has been made to do this in connection with the clause which is now before the committee. It should come under the superintendent of the Seed branch and the Feedstuffs Act to see that every precaution is taken and that the farmers will get full value for the feeding value of their screenings. They can take them back if they wish to use them for feed purposes. Ontario is not worrying about that. They can do whatever they see fit with them; but the producers would be money in pocket if they would separate the seed from the grain at the time of threshing, leave them on the farm, and destroy them instead of paying freight on them to the elevator companies and having valuable space in the elevators taken up with storing weed seeds and useless screenings of that kind. The process is very simple. I think the hon. member for Saltcoats (Mr. Sales) a couple of years ago pointed out how easy it was, but he stated that the farmers in the west would not pay for threshing weed seeds. Consequently, they allowed the seeds to come out with the grain and in that way they got paid for threshing the dirty grain. The section, I admit, does not go as far as I should like to see it go, but it is some protection at least, and if you accept the amendment recently moved in the committee you destroy the effect of the whole thing and leave matters exactly where they have been in the past. This is a matter that must be dealt with, and if it is taken up in the near future by the province of Ontario, as they will be compelled to do, you can rest assured that during the very next year you will have more drastic legislation in regard to the weed nuisance than is contained in this bill.

Mr. CRERAR: My hon. friend is wrong in his dates, and if he gave the committee any impression that when I was Minister of Agriculture in 1917 I used my influence to fix a high price for screenings in order that the Grain Growers Grain Company might benefit, he has left hon. gentlemen under a complete misapprehension.

Mr. SUTHERLAND: The general manager of the Grain Growers Grain Company in sworn evidence before a committee of the House stated that the highest price they received for screenings prior to that time was $8.40 a ton.

Mr. CRERAR: I did not fix it.

Mr. SALES: It takes little to provide the hon. member for South Oxford (Mr. Sutherland) with something to talk about. It is true that screenings at that time, during the war, fetched a high price, but so did everything else. The only fault I find with the

member for Marquette (Mr. Crerar), who was then Minister of Agriculture, is that he—or whoever it was that was responsible for it—made a deal whereby screenings were sold to the farmers of Ontario too cheaply and the result has been a loss of $96,000. These last few lines in the section to which so much objection has been taken were inserted as the final finding of the committee. I may say that the clause created the most ridiculous situation I have seen in my life and we were all disposed to cut the thing out. We do not believe it is workable, but our friends from the east expressed the desire to have this feed and rather than oppose them we consented to give the proposal a trial. We do not think it is practicable, however, and these last few lines were put in in order that the board might have two years to see if they could find some method of dealing with the question. We had the seed commissioner before our committee and he spoke on the matter. Our idea is that the board shall have power in co-operation with the seed commissioner to devise some workable method of handling the screenings and preventing the noxious weeds from spreading all over the country, at the same time giving to the Ontario and Quebec farmers the valuable screenings that are left. That was the sole purpose of the committee in inserting these last lines. I hope that the hon. member will withdraw his amendment and give us a chance to see whether something workable cannot be decided upon.

Mr. SUTHERLAND: Why does my hon. friend single out the Ontario and Quebec farmers? Do the farmers of the west not want some of what he claims to be valuable feed stuffs as well?

Mr. SALES: We cannot afford, under present railway rates or any rates that we may have to ship grain to Fort William and have it cleaned and pay the freight back on the screenings into western Canada. That is an impossibility. The hon. member talks as if the farmer in the west is the only man who ever grew any weeds. I want to know where we got them from. We got the seed from the east years ago and we got the weed seeds along with it. And now we are held up as an example of poor farming; we are told that we are poor business men who will ruin the country, and all that sort of thing.

Mr. McMASTER: But never poor talkers.

Mr. SALES: Talking is not confined to this side of the House at all.

Amendment negatived on division: Yeas, 17; Nays, 77.

Mr. SUTHERLAND: The hon. member for Assiniboia (Mr. Gould) suggested a little while ago an amendment which I think might be introduced at this stage.

Evidently the government is determined to see that nothing shall be done in this matter, and the action of the Minister of Agriculture (Mr. Motherwell) in particular is worthy of note. If there is one hon. member in this House who should have taken a decided stand on the matter it is the Minister of Agriculture; but we have not heard from him. Several representations have been made to him regarding this matter but apparently the committee is not to have the benefit of his experience.

Mr. MOTHERWELL: I voted for the bill to remain the way it is.

Mr. SUTHERLAND: An inquiry was made into this matter by the department a few years ago and a report was submitted as to the impossibility of destroying the vitality of weed seeds except by means of attrition grinders such as might be installed at the elevators. The importance of that improvement has been pointed out but evidently we are not going to take any action in that regard.

Mr. CANNON: If the hon. member for South Oxford is to be allowed to repeat the same argument all evening, when is parliament going to prorogue?

Mr. SUTHERLAND: The hon. gentleman has not heard this argument from me before.

Mr. CANNON: Evidently my hon. friend does not understand his own argument.

Mr. SUTHERLAND: I want to quote to the committee the legislation which is in force in Saskatchewan in relation to this subject.

> Every person in possession or charge of any threshing machines shall, before removing such machine or the wagon racks or any part thereof to another farm, thoroughly clean the machine both inside and out by the removal of all seeds and other crop refuse, and cause the wagon racks used in conection with such machine to be thoroughly cleaned and swept immediately after threshing.
>
> No person shall for a period of more than five days leave exposed or unprotected at or near any place where grain has been threshed any screenings containing the seeds of noxious weeds, nor shall any person place or leave exposed or unprotected, except in a securely constructed building or other closed container, any matter containing such seeds, without having first destroyed the germinating qualities thereof.

The province of Alberta also has similar legislation:

> No person shall purchase or sell, barter or otherwise dispose of, or remove from any premises any bran, shorts, chopped or crushed grain, or cleanings containing seed of noxious weeds, unless the germinating

qualities of such seeds have been destroyed; and no person shall at the time of marketing or warehousing his grain remove from any elevator or mill the screenings screened from such grain so marketed or warehoused, and such screenings shall be burned by the proprietor of the elevator or mill.

Provided that matter containing seeds of noxious weeds may be removed in closely woven and securely tied sacks from any grain elevator or warehouse to be burned or fed to sheep if such sheep are fed and kept within enclosures which are the property of the feeders; and which shall be subject to inspection by weed inspectors.

Lists of the parties to whom screenings are sold shall be furnished monthly to the Minister of Agriculture by the managers of the elevators or warehouses.

Manitoba has also somewhat similar stringent legislation. So far the province of Ontario has not moved in the matter. The Minister of Agriculture (Mr. Motherwell) through this parliament has now an opportunity to provide a safeguard against the spread of noxious weeds contained in the screenings which are being distributed all over the country. Instead, we are to have another year with freedom to scatter broadcast throughout the eastern provinces these noxious weeds; the menace is to continue because the government does not see fit to put into effect the legislation necessary to control it. If the advice which the Minister of Agriculture has received from his officials in the course of their work throughout the Dominion was acted upon, legislation such as has been embodied in this bill would be put into effect this session, but evidently pressure has been brought to bear by interested parties to defer action.

Mr. MOTHERWELL: Mr. Chairman, the hon. member for South Oxford (Mr. Sutherland) is simply talking nonsense. All the precautions that he has referred to in Saskatchewan are followed up right in this section, and the proviso to which he objects is inserted because it would take two years for any government to get facilities in the respective elevators to take care of these screenings. You cannot get the necessary screening, cleaning and sacking machinery installed in a few months, and therefore two years is given to work it out. The hon. member for Saltcoats (Mr. Sales) has described the situation exactly.

Section agreed to.

Sections 89 to 92, inclusive, agreed to.

On section 93—Disputes as to grading. Fresh sample may be required. Board of grain appeal. Etc.

Mr. COOTE: Mr. Chairman, I beg to move the following amendment:

That section 93 be amended by inserting after the word "commissioners" in the forty-second line, the following words, "provided that the wheat-producers shall be adequately represented on such appeal board."

[Mr. Sutherland.]

This section provides for an appeal board, which is to consist of an appeal inspector and eight other competent persons who shall also be appointed by the Board of Grain Commissioners. My amendment is for the purpose of insuring that the wheat-producers shall be adequately represented on this appeal board.

Mr. HEALY: What does the hon. gentleman mean by "adequate representation"?

Mr. COOTE: I would think four out of the eight members would be adequate representation.

Mr. LAPOINTE: No one would know what adequate representation means. It is as indefinite as adequate protection.

Mr. CAMPBELL: I would suggest adequate representation would mean that if the wheat-producers control 50 per cent of the crop they should receive 50 per cent of the representation on the board.

Amendment (Mr. Coote) negatived: Yeas, 33; Nays, 56.

Mr. SHAW: Will the minister say whether the three inspecting officers are separate and distinct?

Some hon. MEMBERS: Louder.

Mr. STEWART (Argenteuil): It is almost impossible for me to hear the hon. gentleman.

The CHAIRMAN: Order. If those hon. gentlemen who are speaking would kindly stand while doing so it would be easier for the Chairman to recognize them.

Mr. SHAW: Subsection one of this section says that if there is dissatisfaction with the finding of the inspecting officer in the grading of such grain there may be an appeal therefrom to the chief inspector, or, at Calgary, to the inspecting officer at that point. Is the inspecting officer at that point a different official from the officer who makes the initial inspection of the grain?

Mr. STEWART (Argenteuil): Yes.

Mr. COOTE: I attended a great many farmers' meetings last fall where much dissatisfaction was expressed with regard to the grading we were receiving for our grain. At practically every one of those meetings the feeling was very strongly expressed by the farmers that on what was then called the survey board there should be representatives of the farmers themselves. Possibly I used an unfortunate word in my amendment when I said "producers," but if they are not wheat producers I do not know what they are.

Whose wheat is it that is being graded, anyway? It is wheat that belongs to those wheat producers, and under the present act they have not a word to say as to the grading of the grain they produce. I think we had a better chance under the old act than we have under this; at least it could not have been any worse. Under the old act those who were on this survey board, as it was then called, were for the most part nominated by the boards of trade of the different cities. Last fall we appealed to the Board of Grain Commissioners and they were good enough to appoint on the board at Calgary a representative of the farmers or producers. All I asked in the amendment which was voted down a few moments ago was that the wheat growers or producers should be adequately represented on this appeal board. The head of the board is to be a man who has held the position of deputy inspector and he is going to have the departmental or official viewpoint of the grading of the grain; he is not going to take the view, if I may so put it, of the producers or the growers. The final say in the matter of the grading lies in this appeal board, because if the appeal board reverse the inspector's decision often enough they will practically force the inspector to grade the grain according to their understanding or their judgment of what the grading should be. It is one of the most important things for the farmers or the producers that they should have a proper appeal board, and they should have some representative on this board to see that they get a fair deal. Now, if we cannot get that, what can we get out of this committee? I am going to present another amendment which I hope the committee will at least consider charitably. I move that section 93, subsection one, paragraph (e) be amended by adding thereto the following words: "one of which members shall be a representative of the producers."

Mr. STEWART (Argenteuil): The wheat pools are now bound to be a very important factor in the handling of grain. The chairman of the board informs me that they will be very glad to appoint representatives of the producers or the farmers as members of the board, that is, that a fair proportion of the eight members who constitute the board should be representative of the producers. These men would need to live close to Calgary or Winnipeg if they are to be called in for the purposes of appeal.

11 p.m.

Mr. COOTE: All my amendment asks for is that one member of the board which will hear appeals shall be a representative of the producers.

Mr. MOTHERWELL: I think we all know what my hon. friend is trying to attain. This was a moot question many years ago. When I was a member of the survey board at Winnipeg I used to get my notice of the meeting about a week after the survey was held, and the arrangement was found to be entirely impracticable. These surveys are held on five or ten minutes' notice, and you have to be immediately accessible in order to function on the survey board, so that whoever is appointed must be located within convenient access of the various points where the surveys are held. I think it would be unfortunate to make selections of the personnel of the board on any vocational basis. The men who are wanted for this work are men who are capable of surveying and passing on questions of appeal that come up from the inspection department, regardless of what their vocation may be. My hon. friend's object is quite all right, but efforts to attain it have been made for a quarter of a century, without success. It may come sometime, but it is not in sight yet.

Mr. COOTE: A farmer was appointed at Calgary and sat on quite a number of appeals this fall.

Mr. STEWART (Argenteuil): Is he close to the city?

Mr. COOTE: He lives in the city. I rather think the commissioner will bear me out when I say that the system is working satisfactorily there now. All I am asking is that the provision be inserted in the act. The amendment which I have presented is certainly workable by the board.

Mr. MOTHERWELL: I think myself it is a good thing to have in practice, but I question very much the advisability of putting it into legislation. Take the standards board, for instance. My hon. friend knows very well that the producers of grain to-day have absolute control of the standards board as regards numerical strength. I believe the producers will be given full representation, without saying in the act in so many words that such and such a class must be given representation.

Mr. FORKE: The minister speaks about classes, but there is no other class in the same position as the people who own the grain.

They are far more interested than the buyers. There is nothing to prevent the commissioner appointing a man who will be satisfactory to the farmers.

Mr. MOTHERWELL: We cannot be undertaking to reinspect our own grain.

Mr. STEWART (Argenteuil): I can see no objection to the hon. member's amendment except this: If the man is going to be of any value he must of necessity be a resident of the city. What the hon. gentleman wants to do is to have the producers, as he designates them, name one of the members of the board who shall act in this capacity.

Mr. COOTE: All the amendment says is that of the three men sitting as an appeal board, one shall be a representative of the producers, and it will be one of those appointed by the board. That is covered in the preceding part of the section. There is no question but that he must be a member of the board.

Mr. STEWART (Argenteuil): If it should develop that the representative is not a resident of the city, you will hold up the appeal; do not forget that. He must be available at almost instant call.

Mr. GRAHAM: Does not this fix it? If there was not a proper farmer in the city, they could name some other man to represent him?

Mr. COOTE: All my amendment asks for is that the farmers shall be represented. It does not say that their representative shall be a farmer, but the farmer might suggest certain members, for instance, of the wheat pool, and they are in the cities of Calgary and Winnipeg and other places.

Amendment agreed to.

Mr. McTAGGART: Will the members of the appeal board serve during the pleasure of the Board of Grain Commissioners?

Mr. STEWART (Argenteuil): Yes.

Mr. MOTHERWELL: During good behaviour.

Section as amended agreed to.

Sections 94 and 95 agreed to.

On section 96—Grades in western inspection division.

Mr. COOTE: I would like to impress upon the minister that the grades should be more clearly defined, particularly the grades for spring wheat. We have been caused no end of trouble through not having the grades clearly defined. If anyone will take the trouble to read the report of the Royal Grain Commission he will find that they mention the desirability of having the grades more specifically defined. I know the matter was discussed at some length in the committee, and I shall not take up time now, but I understand that the commission are willing to have the chief inspector declare each year, if necessary, what we might call an interpretation of the grades as they are set out here in section 96. In fact, such an interpretation is now prepared by different houses in Winnipeg and issued, I think, to the trade for the guidance of their grain buyers. If we could have the assurance of the minister that the commission will undertake to include in their regulations, which are covered by section 147, such an interpretation, and this interpretation will be sent to country elevators where the farmers who are selling this grain can see it and get an idea of what is really meant by No. 1, No. 2, No. 3, and so forth, I am content to allow the section to pass as it is in the act, but if the grades are not more clearly defined than they are here, I think it is very necessary that the inspector should prepare this interpretation of grades and have it posted in each country elevator for the guidance of those who are selling their wheat.

Mr. STEWART (Argenteuil): Does my hon. friend mean a description of the grades for the information of the producer at the country elevator.

Mr. COOTE: I will try and answer the minister by referring him specifically to one of these grades, No. 2 Manitoba northern, which this section provides "shall consist of hard red spring wheat, equal in value to marquis wheat, and which shall be sound and reasonably clean." I would ask the minister what the word "sound" means. I would ask any man in the House to define "sound." I do not think any two of them will agree on a definition. Then we get variations, "sound," and "reasonably sound." The inspector can very easily give us a definition of the word "sound." I have one in my desk which I could give the committee if they would care to have it inserted in the act, but I think the committee were of the opinion that that should not be done, that it would be better for the chief inspector to send to each country elevator an interpretation of these grades. He could interpret the word "sound" and the terms "reasonably sound," "reasonably clean," and so forth and state what percentages of kernels might be allowed in No. 3 wheat which showed some sign of

damage from bleaching or hail or slight frost. The present manner of grading wheat is causing all kinds of trouble and disputes between the farmers who are selling their wheat and the elevator operator, particularly in regard to spring wheat. I certainly think it is due to the farmers of western Canada who are paying for all this inspection that there should be posted up in each country elevator an interpretation of these grades, as closely as the inspector can define them. I have talked this over with the chief inspector, and he told me he thought it could be done satisfactorily enough, but I would like to have the promise of the minister that that will be done, because I understand the inspector is only an official of the department, and of course, he will not issue this interpretation of the grades unless he is instructed to do so.

Mr. STEWART (Argenteuil): I can say, and I am backed by the chairman of the board, that anything that the inspector promised my hon. friend in the way of an explanation of the grades that can be done will have the sanction of the board, and it will be sent out as he suggests. But I would point out to my hon. friend that he is asking for something that will be pretty difficult of accomplishment. The inspection of grain is hedged around with a good many safeguards. If I go to a country elevator with a load of grain, and am doubtful of the grade I am getting, I have recourse to the inspector, and can send samples and have the grain inspected by an expert in this line. I do not necessarily need to take the inspection of the country elevator, unless I am determined to sell it at the moment and get my money. All these things are provided for, but my hon. friend wants an elaborate description of what soundness, for example, means. He has been in western Canada long enough to understand the situation. I had occasion to go back last year, after being five or six years away from selling grain altogether, and I found everybody up in arms regarding the grading they were getting, and they had frozen wheat. You may find kernels of wheat touched with frost around a brush patch, and no frost apparently on the rest of the ground at all, and yet there is sufficient evidence of it to knock a grade off. That is the cause of a great many rows between the vendor and the purchaser of the grain. If we can give them a definition that will be posted up in the country elevator of the description of the grain, certainly the board will be glad to acquiesce and will have that definition posted up at such place.

Mr. COOTE: I have a definition of the word "sound" which I think the chief inspector agreed to. It is the first time I ever heard a grain man give a satisfactory explanation of that word. The definition is:

> "Sound" means well matured and not showing material damage from frost, rust, bleaching, hail or green kernels, but sound shall be deemed to include what is commonly known as "piebald" wheat.

If there is one thing that has caused endless discussion between wheat growers and elevator men and even deputy inspectors, it is what is commonly known as piebald wheat. But the inspector assured myself and other members that in his opinion sound wheat included piebald wheat.

Mr. STEWART (Argenteuil): If you took your grain to the elevator and the elevator graded it No. 2, and you objected and said it was a higher grade, no matter if you had your wall plastered over with descriptions, I do not think you could make the elevator increase the grade. Your only remedy would be to take a sample and send it to the chief inspector, who is the authority for fixing the grades. I am not arguing for the elevator, but I fail to see where it is going to be any help in fixing grades. If you can show me that it is, I am willing to be advised.

Mr. COOTE: Would the minister agree to put in the act the definition which I have just read to the House. I think it would be a considerable guide to the man selling wheat and the country buyer, because the country buyer does not know at the present time whether an inspector who is going to grade his car will consider that a sample of wheat has, say, 20 per cent of piebald kernels in it is going to be judged sound or not. I had the word of the chief inspector that piebald wheat was in his judgment sound, and I think that is the reason why he says that No. 1 northern shall contain 60 per cent of hard vitreous kernels; but we cannot get some inspectors to agree that the piebald kernels are sound, and they say, "If you have piebald kernels in your wheat you cannot get No. 1." I do want to get something which will possibly make it easier, not only for the grower, but for the country elevator operator as well. I will agree to what the minister says that it is impossible absolutely to define these grades, but I think we are entitled to have them defined as nearly as possible. That is all I am asking, and the chief inspector assured some of the members that such an interpretation clause could be drafted which would state the percentage of rye in wheat which would cause No. 1 to grade No. 2. If a man had a few

kernels of rye in his wheat, the elevator man would say, "I cannot give you No. 1 for that," and yet he would declare that he could not tell you just what percentage of rye in your wheat would cause it to grade No. 2. Surely the chief inspector can tell that; he can tell what percentage of barley in wheat would cause it to grade No. 2 or No. 3, or what percentage would cause it to be classed as "rejected." I think the farmers who are paying for the inspection are entitled to this. Those who oppose stating the grade in definite language say that if you state a certain percentage of damaged wheat may be in No. 3 you are going to hurt your sale to the Old Country buyer. I do not think there is anything in that, because the Old Country buyer, takes into consideration the quality he has been accustomed to receive under these grades and not the definitions of the Grain Act. That difficulty can be overcome if the minister will send out an interpretation clause to the country.

Mr. STEWART (Argenteuil): I can understand my hon. friend's difficulty in regard to foreign matter in those grades, but frankly I do not follow my hon. friend in any other direction. But the chairman of the board says that whatever promises were made to members of the committee by the chief inspector in the way of description will be carried out and posted in the local elevators for the benefit of the operators.

Mr. COOTE: If we do not get along any better this year, I presume we can come down and ask to have the act amended next year.

Mr. STEWART (Argenteuil): The act is always open for amendment.

Mr. JELLIFF: My recollection is that this matter was pretty well discussed in the committee, and it was left with the understanding that the chief inspector and Board of Grain Commissioners would put in the elevators such description of these grades and such definitions of these terms as has been asked for by the hon. member for Macleod. I think we can rely on that.

Section agreed to.

Sections 97 to 102, inclusive, agreed to.

On section 103—"No grade" grain; "condemned."

Mr. COOTE: Section (1) of section 103 says:

> All good grain that has an excessive moisture, being tough, damp or wet or otherwise unfit for warehousing, shall be entered on the inspecting officer's books as "no grade", with his notations as to quality and condition.

Could we not have these notations as to quality and condition, which I presume would include the percentage of moisture in the grain, on the inspector's certificate for the benefit of the man who had his grain graded "tough" or "damp" or "wet?" At the present time he is told simply that his grain is tough or wet. He does not know how much moisture is in it, therefore, does not know whether he has been paid the proper amount for his grain.

Mr. STEWART (Argenteuil): I think you can get that upon request, but it is rather a difficult thing to plaster your certificate with the moisture content. I am informed that it has been furnished on request in every case.

Mr. COOTE: It should be furnished without request. The man who has his wheat graded "damp" or "tough" is very often taken by surprise. He did not know but what he had dry grain. It is surely no trouble to the department to write on this inspection certificate "tough; test 16 per cent or 17 per cent moisture." The United States certificate will, in some cases, give you ten different items, whereas our certificate states only two things, first, the grade and then the dockage. In the case of tough grain the moisture content should be stated on the certificate. The department has to make that test and determine the moisture content.

Mr. STEWART (Argenteuil): Wherein would my hon. friend be benefited even if he had the exact moisture content?

Mr. COOTE: Fourteen per cent is the amount allowed; at any rate it was in this past season. If the wheat tests only 14.2, the farmer knows perfectly well that the wheat will be bought by somebody and stored with straight grade wheat, because the moisture content is so small that it is safe to bin it with dry wheat. It will be bought by a private terminal elevator. The man may be paid five cents a bushel less than the market price for straight wheat, and if he has only .2 per cent excess moisture he should receive very close to the market price for straight wheat. It is a protection to the shipper of this wheat if when his inspection certificate comes back telling him his wheat is tough, it states on it the percentage of moisture. The inspection department must make the test. What in the world is there to prevent them from stamping on the certificate that the moisture content is so much, 14.5 per cent or 15.5 per cent, or whatever the case may be?

Mr. GARLAND (Bow River): I most heartily support my hon. friend (Mr. Coote) in the position he has taken. I will give the minister one illustration of what might happen and how a benefit will accrue to the farmer. Supposing we take the illustration given by my hon. friend where the excess percentage of moisture is only .2 or .3 or .5 above the actual test line. The grade is dropped to tough from a straight grade, meaning a loss to the farmer on occasions as high as ten or eleven cents a bushel on tough grades. Frankly, I would willingly turn my grain over from one bin to another in the hope of removing some of the moisture, letting it dry out of the grain, or spread it, if by doing so I could save four cents a bushel, and I would feel I was well recompensed for my trouble in doing that. If I have shipped out a car that is graded tough and I know that the rest of the grain would grade tough to the same extent, I would readily turn over the rest of my grain in the hope of drying it out to some degree. In that way, it is of some advantage to have the percentage of moisture stamped on the certificate.

Mr. WARD: If the committee will permit a personal reference, I can give an example of a car I had myself. I was threshing on my farm; we had threshed 1,000 bushels of barley that had never been moistened with rain from the time it was cut. There came rain, and the thresher in his hurry to get on induced me to start half a day earlier than I should have done. We put 400 bushels more into this car which I thought at the time might grade tough. It went, however, to the elevator and these 400 bushels of barley were put on top of the 1,000 bushels. The car went to Winnipeg where it was inspected and graded tough. I demanded a reinspection and the reinspection showed that the barley had just gone 14.5 per cent of moisture, but I was losing ten cents a bushel. I at once protested to the company and refused settlement. The company reconsidered the whole matter, and I was paid the full price of standard grade barley. That is evidence that what the hon. member for Macleod has said is true, that is, in many cases where grain is graded "tough," just going one or two or three points beyond the standard as set by the grain standards board, the elevator companies would be forced to recompense the farmer instead of taking away that ten cents a bushel. This is one of the best points made in the whole debate. The clause that we are considering now is the most important clause in the Grain Act. It is the basis, the criterion of the whole production of wheat, if you like. After the farmer has produced his grain, if he cannot get proper grades for it and proper consideration, as he is usually running within three or four per cent of the profit and loss line at the very best, if he loses ten cents a bushel on a car of grain simply because it goes a few points above the moisture standard, it is a pretty serious matter for the poor fellow.

Mr. STEWART (Argenteuil): I was not in the committee, but no doubt a very important matter like this was thoroughly discussed. I am told it was discussed in the committee and that the chief grain inspector gave evidence there. I do not know the nature of that evidence, but as regards nearly all the grain nowadays, we do not suffer to the same extent as we did formerly when drying facilities were not provided. Practically all the terminal elevators have drying facilities, and if the grain is not damaged too much by moisture, it can be dried and put into its proper grade. I have suffered on more than one occasion, because I happened to live in the northern part of the province where we would have damp grain, by having grain graded "damp," and I know something about that. But, on the other hand, when we send forward grain of that character, we shall have to put up somewhat with the consequences. I did not hear the inspector give his evidence, but it is a fairly delicate thing to get within one or two points of the moisture content. Now that we have drying facilities I thought that difficulty was pretty largely overcome.

An hon. MEMBER: No.

Mr. MOTHERWELL: One reason why the inspection staff does not think it good business to put the percentage of moisture on the certificate is this. High class wheat will stand more moisture than low grade wheat. Therefore, you would have to have a classification in that respect. For instance, No. 1 wheat can have the full percentage of moisture, in fact, a little more, and it will keep. But if you have frozen wheat or lower grade wheat with the same percentage of moisture, you know it will not keep. If you began to prescribe the percentage of moisture on your certificate, you would get all involved, because it would depend on the quality of the wheat how much moisture it would really stand. A number of hon. members have asked: well, if it was just two points over fourteen, why should there be discrimination and why should we drop into the next grade? That is one of the difficulties of any grading system. There must be an arbitrary point fixed. If the moisture goes over that point, the wheat becomes tough

wheat and that arbitrary point is fixed at 14 points. If you put it at anything else, you have just the same difficulty.

Mr. GARLAND (Bow River): We are not disputing that. All we are asking is to let us know what our tough grade is.

Mr. MOTHERWELL: You have that difficulty. I have no doubt that many a car of No. 1 northern will be let through with a slightly higher percentage of moisture than No. 2.

Mr. GARLAND (Bow River): Then let it go through as a straight grade then.

Mr. MOTHERWELL: But you could not let a No. 1 feed do that, or No. 4 or 5, which was damaged, because it would not stand it.

Mr. COOTE: The minister has misunderstood me. All I ask is that when wheat is graded tough it should be stated on the certificate what the percentage of moisture is. I am not asking that it be stated in every case but only where the grain is graded tough or damp. Possibly the committee has spent sufficient time on this question and as hon. members are impatient to move along we may leave it with the Board of Grain Commissioners or with the chief inspector.

Mr. CRERAR: I have a good deal of sympathy with the suggestion of the hon. member for Macleod (Mr. Coote), but possibly this matter might be left to the board and the chief inspector. I would point out however that a great deal of the grain graded tough and damp by the inspectors is not subjected to any moisture test at all. It is so evident in the examination of the grain that it is tough that no test is made. My impression is only a comparatively small amount goes through the moisture test, and if you lay down a regulation requiring the percentage of toughness in all cases to be stated on the certificate you will increase the staff that will be necessary to handle that class of grain, and consequently add to the expense. But where the grain is actually tested there is no reason why the percentage of moisture should not be shown on the certificate.

Mr. COOTE: I should regret very much if the inspection department countenanced any such loose practice as grading any wheat tough without giving it a moisture test. I am satisfied that such is not the case at Calgary; any wheat graded there is put through the test.

Section agreed to.

Sections 104 to 115 inclusive agreed to.

[Mr. Motherwell.]

On section 116—No discrimination.

Mr. MEIGHEN: What is the change here?

Mr. STEWART (Argenteuil): The main conditions are in the two provisos and were fully discussed in the committee.

Section agreed to.

Sections 117 to 139 inclusive agreed to.

On section 140—Private elevators and powers of board.

Mr. MILLAR: I move that subsection (a) be amended by striking out all the words between the word "elevator" in line 1 and the word "shall" in line 4 and by striking out the works "except as aforesaid" in line 18.

It would then read:

A private elevator shall receive only such grain as is the property of the person or corporation operating such elevator, and no such elevator shall conduct a public storage business or receive any grain upon terms requiring another person to pay storage charges thereon or in respect thereof; Provided, however, that it shall be lawful for the organizations of grain producers known as grain pools and incorporated in the provinces of Manitoba, Saskatchewan and Alberta, by acts of the respective legislatures of such provinces, and for any other person or corporation which in the opinion of the board, is empowered to act and is in fact acting on behalf of or in co-operation with them or any of them, to operate private elevators and to receive into such elevators grain shipped by such producers as are members of any one of the said Grain Pools.

This I believe is the most important clause in the Grain Act. Two years ago when I moved a resolution in this House that a Grain Inquiry Commission be appointed, I had in mind particularly this practice of mixing in private elevators. Let me trace the course of grain from the farmer's wagon through to the Old Country. Our grain is sent to Winnipeg and inspected, but there the mills and the mixing elevators have the opportunity of going into the inspection department and picking out the good grain. This takes off what we call the cream—the best of the grain. Of course, those who are picking the cars are going to pick the best. The grain now goes to the public terminal elevators, but it is of the poorest, that is, it is the lowest of each grade; the best of the grain has gone to the mills and to the private elevators. The producers contend that by this practice the grain is being deteriorated. The grain that goes into the private elevators in some cases is moved into boats, in other cases it goes over to the public elevators. If the grade of the grain out of the public elevators is lowered by this, then when the grain reaches the Liverpool market it brings a lower price, because the British buyer is very keen and knows exactly the value of what he is re-

ceiving, and it has been found that at any time a change takes place in the grade there is an immediate change in the price. Now, if by any practice the grain, after it leaves the farmer's wagon, is lowered in value before it reaches the Liverpool market, the price the farmer will receive at his initial shipping point will be less. Let me give some reasons why I believe this is so. Three years ago when we had the matter of the wheat board up for discussion, I took occasion to ask each of the millers who gave evidence on oath before the committee this question: Do you as readily take grain from the mixing elevators as from the public elevators? In each case they answered: No, they would not take the grain from the mixing elevators if they could get it anywhere else. That was about the substance of their statement.

Mr. MANION: Might not that possibly be because sometimes when there is no mixing a miller might get a No. 2 northern of very high grade as a sort of present to himself, and on another occasion he would get a low grade? Very often he knows at least the minimum of the grade, but not the maximum, and he might occasionally get the maximum very much better than he expected; is not that very often the case? Whereas in the mixing elevator the grade would be more even? I am asking for information.

Mr. MILLAR: It seems to me that the average all goes into the public bins, and therefore I cannot see that what my hon. friend mentions would occur. The plain statement of those millers was that they would not take grain from the mixing elevators if they could get it as readily from the others. Objection was taken in the committee on Agriculture to the statement that one of those gentlemen was in the practice of buying from the mixing elevators. I remember quite well the same gentleman gave evidence before the Grain Inquiry Commission, and there he stated what I have credited to him, that he did not usually take grain from the mixing elevators, but that he had a special arrangement with some mixing elevators, and under it he was taking grain.

For some time I have looked for any occurrence which would enable us fairly accurately to measure the amount of damage that was done by this practice, and I think the opportunity came at the Vancouver meeting. I was present there a year ago when the member for Vancouver Centre (Mr. Stevens) made the statement before the Board of Grain Commissioners that, shipping from Vancouver, they were receiving in some cases five cents a bushel more when the grain was sold on sample than they could get when it was sold on grade. That is, Vancouver being a new port there were no mixing elevators there. The British buyer in bidding for that grain on grade bid the price of the grain he had been receiving, and of course in the past he had been receiving it through the eastern elevators.

Mr. STEWART (Argenteuil): That was unmixed grain.

Mr. MILLAR: That is what I say. This unmixed grain going out in its pure state brought in some cases five cents a bushel more than the mixed grain going through the eastern ports.

Mr. STEWART (Argenteuil): We shall have a very prolonged discussion if we take up the question whether it is advisable to mix or to send our grain through straight grade. But the purport of my hon. friend's amendment is to permit only pools to mix?

An hon. MEMBER: No.

Mr. STEWART (Argenteuil): I am very much mistaken if that is not what it means. As I get his amendment and the provision in the act, it would confine mixing to the wheat pools.

Mr. BROWN: The purport of the amendment is to make it legal for the private terminals to mix only the grain that they have actually bought outright.

Mr. STEWART (Argenteuil): Will that not have the effect of drifting back to a very serious difficulty that we have always encountered in dealing with the man who has to sell his grain on the street? If he does not join the pool he will be in the same position that he has always been in; you cannot by any process of law under this act do anything to help him. He has to sell his grain to private interests at such prices as they are willing to pay him. If that is not the effect of it, I would like to be put right.

Mr. MILLAR: This has nothing to do with mixing in country elevators. It has to do with the terminal elevator and the private elevator.

Mr. STEWART (Argenteuil): But it works back to that point.

Mr. MILLAR: I think the minister is mistaken there. It was pointed out in the committee that as Alberta was a new province it was producing cleaner and better wheat than the older provinces which had more weeds. When you analyze this argument you find there is not much in it. It is not a question whether the whole crop of Alberta is

better than the whole crop of Saskatchewan or Manitoba. The question is this: is the No. 1 northern or No. 2 northern or No. 3 northern that goes out by the port of Vancouver five cents a bushel better than the No. 1 northern or the No. 2 northern going out of eastern ports? The wording of the definition has stood the same for many years. Can any one believe that a change has taken place whereby the grain delivered through the eastern ports is worth five cents a bushel less than it was 15 or 20 years ago? I think not. It may be that a smaller percentage of the grain is getting into the higher grades, but the grain that does reach No. 1 northern or No. 2 northern should be practically as good to-day as it was ten years ago. Now, the comparison I was making was between No. 1 northern out of the eastern port and No. 1 northern going out of the western port, and the statement was made that in some cases the grain going out of the western port was receiving when sold on sample five cents a bushel more.

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Mr. MANION: Was the grain going through the eastern port sold on sample too?

Mr. MILLAR: No.

Mr. MANION: That might account for the difference.

Mr. MILLAR: Let me make this plain. The grain going through the eastern port was being sold on grade; those who were buying it knew for months past just what they were going to receive, and on that they bid a certain price. When they were asked to bid for grain going out of Vancouver they naturally bid the same price, expecting the same grade; as it was a new port they were not accustomed to buying grain going out by that route. But when the grain was actually received and they looked at it they paid five cents a bushel more. That, it seems to me, fairly indicates the amount of damage—perhaps it is an extreme case—done by mixing. In corroboration of that I could quote from the report of the Royal Grain Inquiry Commission.

Mr. STEWART (Argenteuil): Does my hon. friend attribute that to the practice of mixing?

Mr. MILLAR: I do. I quote from page 159 of the report of the commission:

> On this market the miller discriminates between Manitoba's via Vancouver and the same grades via Atlantic ports, Vancouver ones being 6d. and sometimes a shilling per quarter (8 bushels) more than Atlantic ones, and Vancouver fours being just about as much as Atlantic threes. This disparity in price and values had prevailed for some time.

There is an argument that is very difficult to get over. In the western port there are no mixing facilities, so that the grain goes out in its pure state; and according to the statement of the hon. member for Centre Vancouver (Mr. Stevens) a year ago, it was bringing in some extreme cases five cents a bushel more. According to the report I have just read it is bringing from sixpence to a shilling more on the British market.

It is not always possible to get honest inspectors. I do not say they are all dishonest, but there is very much greater temptation in grading grain out of a private elevator than out of a public elevator. The difference in cash to the terminal elevator company as between one grade and another means an enormous sum of money. It may be 300,000 or 400,000 bushels and the difference in grade amounts to a great deal, so that there is a strong temptation for the grader to be influenced, perhaps by a bribe, or it may be by some other influences. You may say this never occurred, but it has occurred. There was one case to which I have referred on a previous occasion: a cargo going out to the United States went out as straight No. 2, and it was found on being held up at Buffalo that it graded three tough. You can understand that when a cargo goes out of the public elevator the grading makes little or no difference to the public elevator company; there is not the same inclination or temptation to bribe an inspector as there is in the case of a private elevator. I am inclined to think that the private elevators give the inspection department a great deal more trouble than the public elevators. We had a very thorough investigation into the grain business. I believe the government appointed as good men as could be found and they travelled over the United States, Canada, and Great Britain. I have no doubt that they took into very careful consideration the evidence that was given on this matter of mixing. I am told on very good authority that on the occasion of a meeting at Winnipeg, when they were discussing this matter with the solicitors representing the private elevators, somebody suggested a compromise. I am told—I have not positive proof, but it came so straight that I can hardly believe it is not correct; and I understand it is in the evidence—that they said to the solicitor, "Would this compromise be satisfactory to you?"—that is, the compromise found in the original act drafted by Chief Justice Turgeon. I am told the solicitor for the private companies said yes. I think possibly some members of this House

may know if that is wrong. If it is wrong, I will be glad if they will correct me, because I do not wish to do anybody any harm, but I am told on good authority that that is correct. If that is the case, it would seem to me that the private elevator companies were rather double-crossing the Grain Inquiry Commission. They had agreed with the commission that that was a fair compromise, and they were satisfied with it, and that was put in the act on the strength of that agreement. Then they came down here and put up a fight in the committee and got that clause changed, struck out what was in the act, and got something new giving broader powers to the mixing elevators than they ever had before. It seems to me they did not act well.

The point that this amendment covers is this: In the past the act has called upon the inspectors inspecting grain out of the private elevators to grade it up to the average of the grain going out of the public elevators. Now in practice I think I am safe in saying it has been found that that was impossible; they have not been able to do it. Argue as they may that the grain is just as good, if it was why would not the millers of Ontario as readily buy it? I am convinced it is not as good, and that is our reason for objecting to the mixing elevators.

A change was made in the new act drafted by Chief Justice Turgeon providing for this: Grain inspection out of the private elevators shall hereafter grade up to the average of the grain passing Winnipeg. Now that, you will see, is a change. It requires a higher grade. It is argued by some that that is impossible, that you cannot keep the average from the private elevator up to the average passing Winnipeg, for the reason that the mills are picking out the best all the time, and by the time the grain reaches the public elevator it is lower in grade, and therefore to set that standard for a private elevator is an impossible standard. Theoretically I believe that is true, but we know that it has been impossible for the inspection department to live fully up to the act in the past, that although the act provided for grain going out of private elevators to be up to the average of grain going out of the public elevators it has not been the case, at least, that is our contention. Then it would seem to me that in practice, if this clause is left in the act, what will take place is this: The standard of the grain coming out of the private elevators will be higher than in the past, but it will still be less than the average passing the inspection point at Winnipeg. Now if that is accomplished by the amendment that I suggest, I think the producers will be fairly well satisfied, but they have now great cause for dissatisfaction feeling that the grain they are producing is inspected at Winnipeg at a very much higher standard that the same grain carries when it reaches Liverpool, the place where the price is fixed.

I would like to take one more objection to the mixing elevators. I have found it impossible to deal with this amendment without touching on a great many arguments that bear on the question of mixing and no mixing. We are not asking that mixing be done away with entirely, but I have found it absolutely necessary to touch on these different aspects of the question.

Here is a point I wish to draw to the committee's attention: It is argued by some that mixing, if done at all, should be done as close as possible to the producer, as close as possible to the place where the grain is grown. From that view I dissent very strongly. Here is what takes place: Grain that never should be milled together is mixed without any thought of whether the mixing improves or destroys the milling value. There are certain kinds of wheat such as Kota that require when it is tempered—some millers will know this, but this Millar does not know it—much more moisture in temperature; when you put that with grain that requires very little moisture, and try to mill the two together, the wheat is damaged very seriously. There are several types of wheat like that in Canada, and in the United States there is Montana wheat, which has been found to be high in gluten in quantity but low in quality. Millers have found if they mix a little sprouted grain with that it improves it for milling purposes. Now the mixing is done at Port Arthur, not with any thought of increasing the milling value, but of getting past the inspector, and my contention is that frequently the value of the wheat for milling purposes is seriously damaged. Where the mixing should be done is after the price is fixed at Liverpool. The grain should be sold in its pure state. Let the price first be fixed, that is, the basis of the farmer's price, and then let expert millers take the grain, picking out the varieties that should be milled together to improve its milling quality. That can be done by expert millers, and the value will then be increased by mixing. They will mix blends that will give the best results. In that way by the time it reaches the mill they will have what they want. At the present time it would seem reasonable to conclude that frequently the grain is mixed in such a way as to seriously damage the grain for milling purposes, rendering it of less value. That is all I am going

to say at the present time on this matter. I have three other amendments, all bearing on this one, and if the first carries the others should carry in consequence, but if the first fails, there is not much use in presenting the others. I say again, I have taken considerable time because this is the most important question in the whole Grain Act, and every farmer in the west is deeply interested in it.

Mr. STEWART (Argenteuil): If my hon. friend's amendment carries, he is doing two things; he is preventing the private companies from taking any grain on a commission basis. No commission grain, if his amendment carries, can go into a private terminal elevator. It must all be purchased by the owner of the institution. That is one point. Therefore, the terminal elevators owned by the private companies cannot be made use of by an individual who does not desire to sell his grain, but rather to send it on for the purpose of holding it for a rising market. He must send it to some elevator that is not a private concern. The private elevator operated by a company owning a line of elevators and who have terminals in their business will be forced at their private elevators to buy the grain of the farmer, or the farmer if he ships through them must send his grain to some public terminal, or join the grain pool That is the effect of the amendment my hon. friend is proposing, is it not? I am asking just for information. If I am right in that surmise, I just want to say that you will force the purchase of grain in every locality by the local elevator. You force the elevator to buy the grain, and you force the farmer to take the price the elevator is willing to give him for it. I do not like that very well.

Mr. MILLAR: Let me go back just a little. For years private elevators were not permitted to take in any grain except their own. Then for a term of years they did so, contrary to the Grain Act, I believe. Then an order in council was passed—I think it was done by order in council—making legal what they had been illegally doing previously. All that I am suggesting is that these clauses be left exactly as Chief Justice Turgeon left them. I point out to the minister that all these private elevators require to do to keep within the law is to buy such grain as they wish to. It is not the wish, I believe, of the producers, that those private elevators shall become public storage elevators, so that they may be able to handle grain for the public as well as for their own use. It should be confined to the grain they own. That was the argument often heard in connection with private elevators, that anybody who purchased the grain had a perfect right to do with his own what he pleased, and I think it should be confined to that.

Mr. STEWART (Argenteuil): Is that not just what my hon. friend is doing? He is forcing the man who has not the privilege of going into the pool to sell his grain—and he is the man he wants to protect—to the individual who happens to own a private elevator in his vicinity.

Mr. MILLAR: There are plenty of public terminals.

Mr. STEWART (Argenteuil): If he does not want to sell outright, he can use a privately owned terminal.

Mr. COOTE: He can send it to a public terminal elevator.

Mr. CHURCH: This is the most important section of the bill. The explanation states that this is a new clause carrying out the recommendation of the Grain Inquiry Commission at page 75, which it does not carry out at all. With one sweep of the pen you are going to make every private elevator a work for the general advantage of Canada. The Board of Grain Commissioners will have jurisdiction over every elevator. What does the province of Ontario think about important legislation of this kind? You are creating the grain growing industry into a vast monopoly. It is the worst form of the safeguarding of industries that I have heard of. It is safeguarding one industry. What are you doing? By subsection (1) you are making every private elevator in Canada, notwithstanding section 92 of the British North America Act, a work for the general advantage of Canada. and bringing it under the control of the Board of Grain Commissioners. Then that commission can pass rules and regulations, licensing every private elevator, and providing what they can do in the way of mixing and all that. With all due respect to the minister, I say that the note on the right-hand side of the page is all wrong. It says:

> This section is new. It deals with private elevators and is one of the most important provisions of the bill. It carries out the recommendation of the Royal Grain Inquiry Commission, see report page 75, title "Mixing in private terminal elevators",

It does not carry out these recommendations at all. It is going to drive all the private elevators from Ontario over to Buffalo; they are to be driven to the wall. The small man will get the worst of it. It is going to create

a monopoly. The government appointed a grain commission and they made a report. I am not going to discuss what the grain commission reported at page 75 or page 106. But the government spent $200,000 on that grain commission and now they are ignoring the most important regulations they proposed as to the mixing in modern elevators. At page 75 they recommend an embargo on hard wheat going to the United States. It will mean moving many of the private elevators in Canada over to the United States, so that the grain will be mixed there and exported overseas. What have you to-day in that Buffalo district? You have twenty-eight privately owned elevators which should have been built in Canada. The policy of this section of the act will be to locate these elevators over in Buffalo. The most important recommendation the grain commission made has been ignored by the Minister of Agriculture and the Minister of the Interior. The rest of the report is practically worthless to the people of Canada.

Just imagine a small elevator at Agincourt near Toronto. The railways there have no facilities for taking care of the small man's crop, with the result that the small men go to the privately owned elevators to store their grain. What is going to be the result? These privately owned elevators will be declared to be works for the general advantage of Canada and brought under the grain commission. What does the provincial government think of it? You are going to create a restraint of trade in Canada and I doubt if this parliament has the power to do it. I think it is deplorable that this bill should be brought down at this late date. This grain commission was appointed in 1923, and two years after it was appointed it brought down recommendations, and some of them are impracticable. These recommendations were made by two college professors, the third commissioner being a judge. The most sensible recommendation in the report was to stop the export of grain to the United States, and not to do anything which might send our elevators across the line. If the Minister of Agriculture wanted to do something for the people of Canada, instead of enacting clause 140, he would have framed a clause to take care of the various points I have raised, and which have not been referred to in the discussion to-day.

Mr. CANNON: I rise to a point of order. My hon. friend is not discussing section 140, but is discussing the report of a commission. I think we have heard enough about it.

Mr. CRERAR: I have every respect for the honesty and sincerity of my hon. friend from Qu'Appelle, but I must say that in all the time I have been in this House I have never heard a more illogical argument than the one my hon. friend presented to-night. The amendment that my hon. friend has moved strikes out from section (a) these words:

> Except where grain is shipped to a private terminal elevator with the written consent of the owner (the form of such consent to be approved by the board).

And further down it will be necessary to strike out a few words if the words I have read are stricken out. I draw attention to the fact that he is not doing away with mixing. He takes the position—and I can quite understand his position—that mixing is an evil. He says it deteriorates the quality of our grain when it reaches the markets of the world abroad, and in view of that the price offered by purchasers in Europe is lower than it otherwise would be, it is reflected back, and therefore the farmer in western Canada takes a lower price for his grain. That is the argument of my hon. friend. But if his argument is sound, he should move to strike out the whole clause, and that he has not done. He leaves in the clause the right to the pools to mix, and the pools to-day control 50 per cent of the grain. The representative of the pools stated before the agricultural committee expressly that they favoured that. Furthermore, he leaves to the private elevators the right to mix the grain that they purchase themselves. The only thing that he does by striking out these words that his amendment proposes to strike out is to deny to the farmer who is not in the pool the right to send his grain to a private elevator and secure any premium on it he may be offered. It does not stop mixing. Mixing will still go on in connection with possibly 50 or 60 per cent of the grain even if the amendment proposed by my hon. friend is adopted. That is not fair. If a farmer outside of the pool wishes to make an arrangement with a private elevator to send his grain there, and if thereby he can secure a premium, as he has in the past, of anywhere from a quarter of a cent to one and one-half cents per bushel, why deprive him of the right to do that? That is unfair.

Mr. MEIGHEN: It is a special privilege.

Mr. CRERAR: It is a special privilege to those who have the right to mix. If the hon. member had taken the position of moving to strike out the whole clause, I would have discussed the matter with the com-

mittee on the basis of the value of mixing to the western producer of grain. I am not going to enter into those arguments now, because they are really not concerned with the amendment moved by the hon. member. But I may be permitted to make this observation, that, in my judgment, mixing is desirable in the interest of the producer of western Canada for this reason, that under our grading system we have established by statute the definitions for certain grades of grain. That does not represent all the grades of grain that come forward to the terminal points either at Vancouver or Fort William. It represents only an insignificant fraction of them. With tough, rejected and all the other variations in quality, the number of grades at times exceeds a hundred. I believe, in one season when the crop was of a particularly damaged character, the total number of varieties of grades of grain were in excess of two hundred. The value of permitting the mixing, handling, merchandising and treating of that grain undoubtedly results to the producer in higher prices for those grades of grain. I do not wish to debate that point. I simply state again that the position that the hon. gentleman for Qu'Appelle has taken is wholly illogical. If his arguments are sound that mixing is a bad thing, he should move to strike out the whole clause If he permits mixing—and his amendment proposes to do that—then it should be open to the farmer who wishes to send his grain to a private elevator to have the freedom and liberty to do so.

Mr. MEIGHEN: If the farmer sells to a private elevator and the private elevator is allowed to mix when it buys that farmer's grain, how is that farmer injured?

Mr. CRERAR: A farmer may send his grain forward. He may not want to sell because the price at that time may not be satisfactory to him, but he says to the mixing elevator; I will give you the privilege of taking my grain into your elevator and you give me the price on the date when I wish to sell. The mixing elevator gives him a premium of anywhere from a quarter of a cent to a cent and a half a bushel in order to secure the grain. I will quote from the commission's report which the hon. member for Qu'Appelle quoted from. This is the finding of the commission on the question of mixing. They heard all the pros and cons of the matter in evidence before the commission when they were sitting at the various points during the conduct of their inquiry. The report sums the whole thing up in these words:

> We cannot say from the evidence we have of conditions overseas that the quality or reputation of Canada's grain, and therefore the price, has suffered in Britain as a result of mixing in private elevators being allowed.

That evidence is wholly conclusive, according to the words of the Royal Grain Commission itself, that the arguments advanced by my hon. friend are not sound.

Mr. MILLAR: I think the hon. member for Marquette will remember that I stated that I had four amendments; that they were all tied up together; that they all together involved the question of mixing, and that I had no thought of asking that mixing be prevented entirely. What I was asking was that the clauses as drafted by Chief Justice Turgeon and taken out of the bill by the committee, be replaced. If the clauses I have referred to are so illogical, so ridiculous, then the clauses drafted by Chief Justice Turgeon must be equally ridiculous because they are the same words exactly. That is just what I propose.

Mr. MANION: I intend to vote favourably to the mixing, and I should like to say why. I am not interested in any shape or form in the question directly, but I have been somewhat familiar with the question for a long time. In my opinion, after a great deal of study of the grain question, I believe the western grain grower gains by permitting mixing to take place in the elevators at the head of the lakes or at the terminals. The reason for that is this. I tried to make it clear to the hon. member for Qu'Appelle when I was speaking, but I did not seem to succeed, although I think many hon. gentlemen understood what I meant. Supposing a man has, let us say, a carload of No. 2 northern of a very good quality and another man has a carload of No. 2 northern of a very poor quality, although they are both the same grade of grain, No. 2 northern, as things stand to-day, without mixing and without what would really go with mixing, that is, selling on a sample market, the man who sells the good No. 2 northern gets exactly the same price as the man who sells the poor No. 2 northern. In other words, the man who is a careful farmer and has fewer weed seeds in his grain does not get any more than the man who has a poor quality of grain and is, perhaps a little more careless. Of course, it may not be carelessness. I am just assuming that. The man who sells on a

sample market, who sells his grain according to the quality rather than the grade, stands to make a premium if he is a good farmer and has good clean grain.

Mr. CAMPBELL: What does the hon. member mean by a poor No. 2 northern and a good No. 2 northern There is a No. 2 grade and the specifications for that grade are set forth in the bill.

Mr. MANION: I think I am absolutely correct and I will refer to any gentleman who has been in the grain business. No. 2 northern may extend up or down. There is an average No. 2 northern. There is a very good No. 2 northern and a very poor one. There is a difference in quality according to the quantity of dirt in the grain and the quality of the grain seed. It is not an absolutely perfect grade like a scale.

Mr. CAMPBELL: The quantity of dirt in the grain would not affect the grain itself.

Mr. MANION: I am not a grain inspector; but I know this—or if I do not, I am very badly informed—that all No. 2 northerns are not exactly alike. There may be a No. 2 northern which is a very high class and another which is just above a No. 3 northern. In other words, a good No. 2 northern is nearly a No. 1 northern and a poor No. 2 northern is nearly a No. 3 northern.

Mr. BROWN: The hon. member is quite correct.

Mr. MANION: That being the case, the man who happens to have a good No. 2 northern will get a premium on it because of its quality.

Mr. GOULD: What authority has the hon. gentleman for making this statement that the good No. 2 northern would receive a premium?

Mr. MANION: Generally speaking it does not now receive a premium but it would if you were selling on a sample market. On a sample market a good No. 2 northern would get more than a poor No. 2. I think that you are really profiting by mixing. Now, I am merely giving these views for what they are worth; I do not claim to be an authority on this subject although I have given it some study. But mixing goes on anyhow, for the farmer can mix on his own farm now if he wants to. And it is also done in the country elevators; it is done in all the terminal elevators. One man may sell a good No. 2 northern and another man a poor No. 2 northern and both lots are dumped into the same bin and mixed.

Mr. MILLAR: That is not mixing.

Mr. MANION: It is not the sort of mixing we are speaking of, but my contention is that mixing takes place anyway.

Mr. COOTE: Is that a mixing of grades?

Mr. McTAGGART: The hon. gentleman says he is in favour of mixing. If the private elevators are encouraged to mix grain, does he not think that there is a danger of our standard grades going on the European market at the minimum of the grade?

Mr. MANION: I think my hon. friend from Marquette (Mr. Crerar) gave a quotation that proved that this is not so. I read the evidence in regard to this subject as given before the royal commission by Mr. Symes, the chief inspector at Fort William. I know him and Mr. O'Hagan his assistant, as well as many others of these gentlemen; in fact, I grew up with some of them. They gave evidence to the effect that the grades coming from the private elevators which have been mixing have been on the average as good as the grades coming out of the public terminal elevators. Somebody had made the claim that the average was lowered as a result of the grain going through the private elevators; but the evidence of these gentlemen, as cited in the report of the royal commission that enquired into this matter, is that they never had any trouble in that regard. They declare that the grades from the private elevators were as good as those coming from the public institutions.

Mr. MILLAR: If that is the case, why did not the Ontario millers accept it as readily?

Mr. MANION: On that point I think I made myself clear, but my hon. friend did not seem to agree with me. Naturally when mixing they would try to get an average grade because they would not get too low a grade, this being against the law. Let us suppose I am a miller. I buy a carload of No. 2 northern, getting an average grade. I even allow for the fact that occasionally I get a low No. 2. But as I sometimes have the good fortune to secure a prize package by receiving a high No. 2, nearly a No. 1, I should prefer to keep it as it is in the hope of getting that prize package now and then.

Mr. BEAUBIEN: The hon. gentleman seems to suggest that mixing is done only in regard to one grade.

Mr. MANION: Oh, no; I merely mentioned one grade to explain my point.

Mr. BEAUBIEN: But the question is the mixing of two or three grades.

Mr. MEIGHEN: Are hon. gentlemen ready to move that mixing be prevented? If so, what is the necessity for this debate?

Mr. BEAUBIEN: I am in favour of mixing.

Mr. MEIGHEN: Well, then, if there is no one moving to prevent it there is no use in debating the question.

Mr. STEWART (Argenteuil): There is a good deal of argument as to whether the private elevators should mix or not, but that is not being struck out.

Mr. MEIGHEN: That is my point.

Mr. MANION: I understood the member for Qu'Appelle to suggest that that is what he was aiming at.

Mr. MEIGHEN: If there is to be a permission to mix, undoubtedly that would be of advantage to the persons who mix. But how can anyone argue that such an advantage should be confined to one class and denied the rest?

Mr. COOTE: The amendment proposed is to limit the privilege of mixing to the wheat that is purchased by the man who wants to mix. At the present time the private terminal elevators take in grain for public storage along with their own grain, and they mix grain for public storage with what they buy themselves. But all they are required to put out is the number of bushels which the man puts in; he does not necessarily get his own grain back or even the same grade as he would get if he put his grain in a public terminal. The commission heard a voluminous quantity of evidence at a cost of nearly $200,000, and after hearing that evidence from every quarter, some of it very contradictory and conflicting, some of it almost impossible of belief, they embody their conclusion, in regard to mixing, in section 141 of the original bill which was brought into the House and given a first reading on May 11. When the bill went to the committee that body practically re-drafted this section covering terminal elevators; and the provision as brought down now proposes to allow these private institutions to continue to mix grain taken for public storage with grain which they have bought for themselves.

Mr. CRERAR: It is not taken for public storage at all. It is taken into the elevator with the consent of the owner of the grain and only with his consent.

Mr. COOTE: Surely it is taken in for storage. Under what terms do the elevators obtain the grain?

[Mr. Beaubien.]

Mr. CRERAR: They really buy the grain from the farmer. They say, "We will pay you whenever you want to sell the grain, and we shall give you what premium is coming to you." The only thing not determined is the actual price the farmer will receive.

Mr. COOTE: It is something new that a man can purchase wheat and not know what he is paying for it, nor the man who sells it know what he is getting. The man who places his wheat in the public terminal elevator may sell it any day he likes at the market price.

Mr. CRERAR: He can do the same in the private elevator.

Mr. COOTE: For my part I am opposed to mixing and I would strike out the whole clause. As I have pointed out, we appointed a commission of enquiry which cost the country nearly $200,000; and after the evidence had been heard of those both in favour of and those opposed to the practice of mixing, that commission submitted its recommendation, in regard to private elevators, as contained in section 141 of the old measure. The amendment which the hon. member (Mr. Millar) has now moved would simply give us the draft of that original section 141. There is so much difference of opinion as to the wisdom of mixing that it would seem impossible to secure a prohibition of the practice in this legislation, and so far as I am concerned I would be willing to accept by way of compromise what Mr. Justice Turgeon proposed in section 141 of the original bill. He proposed exactly what would be achieved by the amendment now submitted by the hon. member for Qu'Appelle, with one or two other amendments that would be necessitated subsequently to bring later provisions of this bill into conformity with this change.

Mr. MEIGHEN: Mr. Chairman, the fact that this millionaire commission recommends a thing may be something to be said in its favour, but it is not such a convincing argument that one should accept it finally. It appears the Turgeon report says: A great many people are in favour of mixing, and a great many are not; so we will compromise the thing by letting some people mix and not others.

Some hon. MEMBERS: No.

Mr. MEIGHEN: Is not that really the result?

Some hon. MEMBERS: No.

Mr. MEIGHEN: It looks to me that way.

Mr. BROWN: No. The Turgeon Commission said that people could mix their own grain.

Mr. MEIGHEN: Very good. Then how about the grain pool that sends theirs to a private terminal elevator? That elevator can take the grain and mix it with their own.

Some hon. MEMBERS: No.

Mr. MEIGHEN: They cannot? They must own it?

An hon. MEMBER: The pool owns the grain.

Mr. MEIGHEN: Certainly, I understand it; the pools own the grain all right. The member for Qu'Appelle (Mr. Millar) says that the act should read in this way:

A private elevator shall receive only such grain as is the property of the person or corporation operating such elevator, and no such elevator shall conduct a public storage business or receive any grain upon terms requiring another person to pay storage charges thereon or in respect thereof: Provided, however, that it shall be lawful for the organizations of grain producers known as grain pools and incorporated in the provinces of Manitoba, Saskatchewan and Alberta by acts of the respective legislatures of such provinces, and for any other person or corporation which in the opinion of the board, is empowered to act and is in fact acting on behalf of or in co-operation with them or any of them, to operate private elevators and to receive into such elevators grain shipped by such producers as are members of any one of the said grain pools;

Now then, if that goes through no man who is not in the grain pool can have the advantage of selling his grain through the owner of a private elevator and obtaining the premium that the private elevator will pay because of its mixing privilege.

Mr. MILLAR: He can sell and receive his price.

Mr. MEIGHEN: Certainly, provided he sells it and takes his price the very day he sells it; but he cannot sell it to a regular grain purchasing firm. If I deliver to a grain purchasing firm, and they take my grain, I can choose the day of sale, I can choose the price. Why should not I, selling that way, get the advantage of the mixing privilege just the same as if I sell to a grain pool? Why should not I be allowed to name the day for the price?

Mr. WARNER: The hon. gentleman is mistaken; they do not sell to the grain pool; their wheat is all pooled together.

Mr. MEIGHEN: That is only a matter of name. Why should I be compelled to be in the grain pool in order to have the privilege of naming the day on which I will take my price from a private elevator?

An hon. MEMBER: You do not have to.

Mr. MEIGHEN: How could I do it otherwise?

Mr. CRERAR: You could not.

Mr. MEIGHEN: So apparently the report of the Turgeon commission is just exactly as I said: because some were in favour of mixing and some were not, they have adopted the course—it is not unlike what this government does—of saying, "We will let some mix and we will not let the rest mix, and that will be a compromise." The fact of the matter is, I cannot see in this Grain Act very much of a cargo for the extravagant ship that we sent after it. Read this Grain Act that we are putting through now—in 99 cases out of 100 there is no change, and very often where there was a change it is put back where it was before by the committee on Agriculture. In fact, the hon. member says it cost $200,000. Add to that what the provinces had to pay for lawyers unnumbered, for what the grain exchange had to pay, for what the cities had to pay—add the whole thing together and it will be found that it cost over half a million dollars. I do not see that any mouse came out of the mountain except an increase of salaries for the grain commission.

Mr. COOTE: If this commission has cost so much, and if there is any word of wisdom in this section 141 as originally drafted, should we not take advantage of that and so get something out of the expenditure?

Mr. MEIGHEN: I would rather get nothing out of it than get a penalty.

Mr. MANION: I have heard the statement made that the Royal Grain Commission did not recommend old clause 141 exactly as it is in the original draft.

Mr. MILLAR: I think it is just exactly as it was in the original draft. In reply to the remarks made by the hon. member for Marquette (Mr. Crerar) as well as by the leader of the opposition (Mr. Meighen), I may say that there seems to be a little confusion in regard to the treatment of the wheat pools. I am inclined to think that the logic of Chief Justice Turgeon was superior to that which we have heard to-night from those two hon. gentlemen. I think he reasoned something like this: The wheat pool grain belongs to the pool; when they own a private elevator, and they mix grain in that elevator they are only mixing what is their own. Now the private companies are allowed to do exactly the same; there is absolutely no difference; each

is allowed to mix his own grain and no other according to the first draft of the act. That is what I am asking for. There is no advantage to the pool whatever.

Mr. CRERAR: But there is a distinct disadvantage, Mr. Chairman, to the farmer who may wish to sell his grain to a private elevator and not fix the price at the date he ships the grain. I still maintain, with the best of good feeling to my hon. friend from Qu'Appelle, that he is not right.

Mr. COOTE: How is the man who ships his grain into a private terminal going to get any premium? Am I to understand that the owner of the private terminal will say to him, "Whenever you are ready to sell we will give you a premium over the market price.

Mr. CRERAR: As a matter of fact, absolutely and positively it is done.

Mr. COOTE: I have never heard of any farmer getting it.

Mr. CRERAR: The company with which I am associated two years ago paid over $60,000 in premiums on grain that went into our mixing elevators, and in most of those cases the farmers chose their own day for selling their grain. If they thought the price of grain was going to be higher two months hence, they had the privilege of choosing their day for selling. That is all we are doing here. I submit that if mixing is such a bad thing as the member for Qu'Appelle and many other hon. members think it is, it should be cut out altogether. I can understand the logic of that position. But on the other hand, the Turgeon commission do not recommend that at all; in fact, they find that mixing has done no harm. Let me read again their finding at page 98 of the report:

> We cannot say from the evidence we have of conditions overseas that the quality or reputation of Canada's grain and therefore the price has suffered in Britain as a result of mixing in private elevators being allowed.

Mr. GOULD: Mr. Chairman, I wish also to read a recommendation taken from the Turgeon report at page 106. It deals directly with the amendment asked for by the hon. member for Qu'Appelle, and is as follows:

> The conclusions that we come to after studying very carefully all the evidence presented on this vexing but important problem is that the position of the private terminal elevators should be legalized, but that they should be restricted to taking in only their own grain.

That is what the amendment is asking for, and that is what we spent $200,000 to obtain. We started with three private terminal elevators at the head of the lakes in 1910; to-day there are twenty-five, and that does not represent the proportion of increased storage. It is a very profitable business, and who provides the revenue these interests are making? The poor fellows who are growing the grain. I do hope this committee will take one word of advice from those who grow the grain. Not one hon. member who does grow grain has said a word to-night against this proposal. The members who grow grain are all supporting the amendment.

Mr. CANNON: Does the hon. member for Marquette know something about grain?

Mr. GOULD: He does not grow any.

Mr. BROWN: The question of mixing is in itself a very important one and one that has concerned the farmers for a great many years, but the question around which this amendment centres is a case of much ado about nothing. The Turgeon report as just quoted by the hon. member recommends that private elevators be allowed to mix their own grain. That may or may not be wise, but nobody here has moved against it. The clause that was inserted by the committee simply allows a man to say to a private elevator: "You may take in my grain and when the proper time comes and when the price has reached a certain point I will agree that you shall have it and you shall pay me for it." The grain may be taken in at a premium or at no premium, but it simply allows the man who wants to sell his grain to a private house to determine the time he shall sell—when the price suits him. You can say that from the time the agreement is made the elevator owns the grain, and I believe that even if we struck out that provision such an agreement could be made and the courts would not hold that the law had been violated. Once we grant the principle of mixing it seems to me that this particular provision is a matter of no consequence at all so far as the farmers are concerned.

Mr. MILLAR: In the case of a farmer who has eighteen or twenty opportunities of selling his car of grain, would it be of any advantage to add another?

Mr. BROWN: He could not possibly make a bargain like this. He could not possibly get a premium if it was put in the public elevator, but this clause as it stands would permit such a deal to be made.

Mr. MILLAR: Has the hon. member ever sold grain at a premium I never did.

Mr. BROWN: That does not touch the matter at all. The question is, shall we put a provision on the statute book under which such a deal can be made. I do not see how any harm can be done by allowing the act to go through in that form.

Mr. NEILL: There have been a lot of questions asked to-night; I would like to ask one more. Do you think, Mr. Chairman, it is reasonable to keep the Hansard men and women here from eleven o'clock in the morning until one o'clock the following morning?

Mr. FORKE: I have sold hundreds of thousands of bushels of wheat and I never sold it at a premium such as has been referred to. I have got a premium, but not the kind the hon. member for Marquette speaks about. Premiums are paid quite frequently, but generally at a time when boats
1 a.m. are held up before the close of the season, and the premium is to induce the sale of the wheat, not because it is of superior quality but in order to provide a load for the boat. I have received premiums of that kind, but never a premium because the wheat was a little bit better than the straight grade.

Mr. CRERAR: My hon. friend is quite mistaken in that. These premiums were paid entirely on the grain that went into our mixing elevator, and the farmers received that much additional over the price they would have received had they sold on the market in Fort William.

Mr. SALES: On what quantity of grain?

Mr. CRERAR: Oh, I could not say. It would average one-half to three quarter cents per bushel. I would ask the hon. member for Assiniboia (Mr. Gould) to read the Turgeon report with respect to profits made by private elevators. I also assure the hon. member that I have grown probably as much grain as he has grown.

Mr. GOULD: Not more.

Mr. CRERAR: The Turgeon commission put their accountants into the offices of the private elevators in Winnipeg, some twelve or fourteen companies. They went through their books thoroughly over a period of two years, and what was their finding as to the profits earned by these elevators? The profit was found to be one and three-one hundredths of a cent per bushel, and out of that they had to pay the interest on their investment.

Mr. SUTHERLAND: This clause is entirely different from the provision made in the original bill submitted to the committee, which was based on the finding of the report of the Royal Grain Inquiry Commission. The large millers are in a much better position to deal with this matter than the small millers. The small millers are a unit in protesting against the change which it is proposed to make in this bill; they are willing to accept the bill as originally placed before the committee. In view of the fact that it is one o'clock in the morning, and considering the importance of this bill, I think it might well stand over and receive a little further consideration.

Mr. STEWART (Argenteuil): I understand that this clause was argued for eight hours in the committee. It has been discussed here for at least two hours, and if we sat here for six weeks you would not have much more information with regard to it. I would like at least that this clause be dealt with before the committee rise.

Mr. IRVINE: We have got so mixed up here that we do not know which way to vote. Will the minister say whether the hon. member for Marquette (Mr. Crerar) or the hon. member for Qu'Appelle (Mr. Millar) is right in the contentions that have been made?

Mr. STEWART (Argenteuil): I always thought that a man trained for the ministry would make a good juryman. He has heard both arguments.

Mr. SUTHERLAND: I was just on the point of observing that in view of the lateness of the hour and the importance of this clause, this matter might well stand over for further consideration. In fact, it would be better that the bill should not pass at all than that this clause should carry as drafted. I do not think it is fair at this stage of the session to crowd through important legislation of this kind with about half the members present, at one o'clock in the morning.

Mr. WOODSWORTH: I move that the committee rise and report progress.

Motion (Mr. Woodsworth) negatived.

Mr. COOTE: Before the question on the amendment is put, I just want to read what the Turgeon report says about public terminal elevators being turned into private elevators.

Mr. CANNON: I rise to a point of order, Mr. Chairman. We are not going to have this Turgeon report brought before the Chair as we consider each and every clause. It is simply obstruction.

The CHAIRMAN: Has not the particular section the hon. member refers to been submitted to the committee already?

Mr. COOTE: No, and if the hon. member for Dorchester had left me alone I would have been through before this. The Turgeon report, in speaking of turning public elevators into private elevators at the head of the lakes, makes this statement: "If this trend continues privately owned public terminal elevators may disappear at Port Arthur and Fort William." If the profits of private terminals are so small, it is strange indeed that all public terminals at Port Arthur and Fort William should in a few years be turned into private terminals.

Amendment negatived; Yeas, 35; Nays, 45.

Mr. GARDINER: I desire to move another amendment to this clause. I move that the section be struck out. Personally as far as I am concerned I am not in favour of mixing of any description at all. I believe mixing is against the best interests of Canada, and I am satisfied it is against the best interests of the producer. The question I would like to ask the committee to-night is this: Is this act going to be passed in the interests of the producer and in the interest of Canada as a whole, or is it going to be passed in the interests of a few people who desire to mix grain? That is the problem we have to consider here to-night. If this committee desires that the grain grown in different parts of the country shall be depleted in value, and the price is going to be reduced because of that lowering of value, then the onus must be on this parliament. So far as the producer is concerned, he is absolutely helpless in the face of this legislation. If this legislation is passed, the only thing for the producer to do is to get out of selling his wheat individually, and get into a co-operative corporation that will sell the wheat of the producers as a whole.

Mr. MEIGHEN: Is it true or not that the grain pools are in favour of mixing being permitted?

Mr. GARDINER: I care not whether the grain pools are in favour of it or not.

Mr. MEIGHEN: They are half of the west.

Mr. GARDINER: The fact of the matter is, I am personally opposed to mixing, and I have good reason for being opposed to it. I sat on the special committee on agricultural conditions in 1923, and we got evidence from the Board of Grain Commissioners which if members of this House care to look into it at any time, will I am sure convince them that mixing is detrimental to the producer and detrimental to Canada as a whole.

[The Chairman.]

Mr. POWER: It is bad for the consumer too.

Mr. GARDINER: It is just as bad for the consumer if you eat enough of that kind of stuff. I have before me volume No. 23 of the proceedings of the special committee appointed to inquire into agricultural conditions in 1923. This is the evidence that was given under oath to the Board of Grain Commissioners as to the different grades coming into these private mixing elevators and the grades going out, and I propose, if the committee will bear with me a few minutes, to put before them this evidence, which I believe is the most concrete kind of evidence that can be brought before the House. If the committee then are satisfied that mixing is the proper thing to do, they must take the onus and responsibility for their action.

I have before me a return given by the Davidson & Smith Elevator Company, of Fort William. This is a private terminal elevator company where they do mixing. This report was sworn to by the people who own this elevator and handed in to the Board of Grain Commissioners. I want to show what happens when we start to mix our grain. On this side of the page are given some 48 different grades of wheat that were taken into this private mixing elevator. I am going to read a list of the different grades that went into that elevator in order that the committee may be seized of the importance of this mixing question:

Wheat—
1 Hard.
2 Nor.
3 Nor.
Dried 3 Nor.
Dried No. Four.
No. 4 Special.
No. 5.
No. 5 Special.
No. 6.
No. 6 Special.
Feed.
Rej. 1 Nor.
Rej. 2 Nor.
Rej. No. 4
Rej. Feed.
Smutty No. 4.
Smutty No. 5.
Smutty No. 6.
Smutty Rej. 3 Nor. Mix Htd.
N.G. Tf. 1 Nor.
N.G. Tf. 2 Nor.
N.G. Tf. 3 Nor.
N.G. Tf. No. 4.
N.G. Tf. No. 4 Special.
N.G. Tf. No. 5.
N.G. Tf. No. 5 Special.
N.G. Tf. No. 6.
N.G. Tf. Feed.

N.G. Tf. Smutty 2 Nor.
N.G. Tf. Smutty No. 4.
N.G. Tf. Smutty No. 5.
N.G. Tf. Rej. 3 Nor. Mix. Htd.
N.G. Tf. Rej. No. four Mix. Rtd.
N.G. Tf. Smutty Rej. 3 Nor.
Rej. 2 Nor. Mix. Htd.
Rej. 3 Nor. Mix. Htd.
Rej. No. 4 Mix. Htd.
Rej. No. 4 Special Mix. Htd.
Rej. No. 5 Mix. Htd.
Rej. No. 6 Mix. Htd.
Rej. Feed Mix. Htd.
Rej. 2 Nor. Mix. Firebunt.
Rej. No. 5 Mix. Fireburnt.
Rej. Smutty No. 5 Rej. Mix. Htd.
2 A.R.W.
3 A.RW
Smutty 3 A.R.W.

These comprised forty-eight different grades of wheat that went into this particular elevator.

An hon. MEMBER: Repeat that.

Mr. GARDINER: I will not impose that upon the hon. member, but if he is foolish enough to again make the request I will. If the committee will follow me for a moment they will see the tremendous number of grades down this side—forty-eight different grades. The problem we have before us to-night is to decide whether it is in the best interests of Canada that that should be allowed to continue. Then on this side, the extreme other side, we find the number of grades that go out.

Mr. POWER: I suggest that we should have a photograph taken of this, because it cannot be very well recorded on Hansard when the hon. member refers to "this side" or "the other side."

Mr. FORKE: This is an important matter and I do not think members of the House are seized with the importance of it.

Mr. GARDINER: On this side I show the number of grades that went out. Instead of having forty-eight grades going out, or anything like that number, we have merely five different grades going out of the elevator. What are the grades that went out of this elevator? We have No. 1 northern, No. 2 northern, No. 3 northern, No. 4 northern dry, and we have No. 4 mixed and heated. Those are the only five grades that come out of the elevator.

Mr. SHAW: Will the hon. member tell us how many bushels went into this elevator and the total number that went out?

Mr. GARDINER: I will give my hon. friend that information a little later, when I come to that point. I have given the different grades that went into this elevator from No. 1 hard right down to the lowest grade. All those different grades rejected have disappeared with the exception of a small item here in the No. 4 dry.

Mr. McMASTER: Was this institution called an elevator?

Mr. GARDINER: This is a private elevator; I think no member of this House can follow the information I have given to the committee and come to the conclusion that mixing is in the best interests of Canada. When we ship out these four or five grades composed of these different other grades, that is going to bring a poorer price on the world's market, and going to degrade the value of our wheat, so that those who have put in No. 1 or No. 2 or No. 3 are certainly going to get a lower price than if the mixing did not occur.

The hon. member for West Calgary asked me how many bushels went into this particular elevator and how many came out. Now this is another important consideration that we have to recognize. In this column to which I point these are the total bushels of wheat of the different grades.

Mr. PARENT: What is the hon. member quoting from?

Mr. GARDINER: I told the hon. member before. The pamphlet from which I am quoting is a return made by the Board of Grain Commissioners to the special committee appointed to inquire into agricultural conditions in 1923. It is known as No. 23. In answer to the hon. member for West Calgary, this column I point to shows the different number of bushels from the different grades that went in. At the bottom we have the total number of bushels the elevator took in, amounting to 704,283 bushels and 50 pounds. On the other side adding up the five different grades that went out, we find the total number of bushels of wheat shipped out of the elevator, and we find they shipped out 831,000 bushels. In other words they shipped out 126,000 bushels more than they put in. That is also elevating the weight as well as the grain. I am bringing this matter before the committee, in order that they may realize just exactly the position they are placing Canada in as a whole when they stand for mixing. When the farmers' grain reaches Winnipeg it is graded. In fact we are grading all the farmers' products to-day, and they are about the only products that are being graded. Why is that? Why is there a discrimination? Are there not other products as

well that could be graded in order to protect the public? Why apply the grading principle to agriculture and agriculture alone to all intents and purposes? If you are going to recognize the opinions of people who are not growing wheat, instead of the producers themselves, what is the use of a Grain Act at all?

I move that this section be struck out.

The CHAIRMAN: A motion to strike out a whole section is hardly in order, because each section is a motion in itself. If you desire to vote against the section the desire can be indicated by five members standing.

Mr. LEADER: I am opposed to the mixing of our grain. It is true, I believe, that the pool have stated that they are in favour of mixing. I believe the reason for that is that they want to enjoy privileges the other grain dealers enjoy. I see no reason why they should have made a statement to that effect, because they could certainly enjoy the privilege without making that statement. Notwithstanding the statement of the wheat pool, I am personally opposed to the mixing of our grain. I know this is the general opinion of the farmers who produce wheat in the western country. It has been stated by the hon. member for Medicine Hat that we are grading all our farm products at the present time, trying to produce a superior article that will command the highest price in the world's market, something better than our competitors, and we are doing it better in many cases. In no product can we show this better than we can in the hard wheat. We can convince the world that we can beat any country in raising No. 1 northern wheat. If that is recognized by the buyers, there is no doubt in the world that they will be willing to pay a substantial premium for the superior product we can put on the market. But owing to the effect of mixing, we are depreciating a first-class superior product until it is recognized now as only on a par with some of the foreign products. The argument submitted by the hon. member for Qu'Appelle, when he made the statement and proved that the millers of the Old Country were willing to pay five cents a bushel more for the wheat shipped through Vancouver, should be positive proof that in the Old Country our wheat is accepted as better than the products of other countries. It was said in committee—and I might say I opposed mixing in committee—that if we prohibited mixing of wheat by the Canadian elevators and the grain trade here, it would drive the mixing process and the whole thing over to the United States. I maintained that that would not be a bad thing in the interest of Canada, because any Canadian wheat passing through American channels is labelled that it is passing through such channels, and they must accept that certificate as Canadian wheat passing through American channels. Therefore, if the Old Country buyer knew we were doing no mixing in Canada and the Americans were, he would pay a substantial premium and deal with Canadian firms. This would have the result of driving the trade into Canadian channels where it belongs. When the Right Hon. Sir Robert Borden, then the Hon. Mr. Borden, was touring the west, there were Liberals on the platform and I had the honour of sitting on the platform with some of them when the statement was made: We will stop this mixing of our wheat. By the way, the Hudson Bay route was mooted at that time and they were going to send the grain out north where the Americans would not have an opportunity of adulterating it. They said they were going to stop this skimming and mixing of our wheat.

Mr. STEWART (Argenteuil): As regards the amendment moved by the hon. member for Medicine Hat (Mr. Gardiner), perhaps this would not affect the wheat growers in the southern portions of the provinces nearly as much as those in the northern portions. I am very much of opinion that Chairman Turgeon, when he reported that mixing was not doing us very much material damage, was perfectly correct. I did not hold that position two or three years ago. I was very much opposed to mixing and fought it upon every occasion. I have come to the conclusion that throughout the northern portion of both Saskatchewan and Alberta, if you eliminate mixing, the growers of low grade wheat will suffer very considerably. I have come to the point where I do not believe mixing is of any material injury to the man who is growing the first grade quality. I intend to vote against the amendment and in favour of mixing.

Mr. GOULD: The minister is aware that for the past ten years the amount of commercial grain has varied from 70 to 95 per cent. I think 70 per cent is the lowest it has ever reached and 92 to 95 per cent is a very common percentage.

Mr. STEWART (Argenteuil): But the hon. member must realize that we have gone through a period of very dry years in the last seven years and we may now be approaching a very different cycle altogether when we shall have any quantity of wet grain as we had prior to 1915.

Mr. GOULD: We will meet that situation when we come to it. We have in support of

this idea representations made before the committee by the people who grow grain and we have the statement as regards the former belief of the minister himself. He says that when he was engaged in the practice of farming he was opposed to the principle of mixing. We have also in support of this idea the eastern millers throughout Ontario who state that they are opposed to the principle of mixing. I can show a letter that I have from a reeve of a municipality stating that the millers in the east have imported wheat directly from the prairies for milling purposes simply because they refuse to accept the mixed article from the terminals. If such is the case and we have the Dominion Millers' Association in eastern Canada and the producers in the west, surely we are justified in asking the committee to grant what is right and fair. The citation by the hon. member for Medicine Hat was only one case. That was one of the smallest institutions, if not the smallest institution, at the head of the lakes, and there are twenty-five of them there at the present time, some of them with a capacity of three, four, five or six million bushels. When you find large institutions like that handling the grain in exactly the same way as the hon. member illustrates, you can see the magnitude of the evil, at least what we think is an evil that is perpetrated upon the producer of grain. Surely this is our bread and butter. Why should there be a deteriorated article on the Liverpool market? The buyers there with good business heads pay exactly for the article they receive. They buy a deteriorated article and they place a value on it. The value which they place upon that deteriorated article is quoted back to me, back in the hinterland for the article which we produce which, as all hon. members know, is the 100 per cent article. Nowhere else in the world is as good a quality of grain produced. I feel the committee want to do justice to the people who produce grain. This has been a burning question with us for thirty years, and we desire the earnest consideration of the committee looking at this in a generous manner from the producer's point of view.

Mr. CRERAR: It is not pleasant to find myself at variance with my colleages from western Canada, but in my judgment they do not represent the opinion of the agricultural portion of western Canada in the amendment which has been moved by the hon. member for Medicine Hat.

An hon. MEMBER: State your authority.

Mr. CRERAR: I will give some authority for it. The grain pools to-day represent one-half of the grain produced in western Canada. They mixed grain during the present year at Fort William and are mixing it to-day. They came before the agricultural committee, and they stated that they favoured mixing and wished it retained in the act. In the second case, the United Grain Growers, Ltd. have 36,000 shareholders and this question has been considered with them. The board of directors of the United Grain Growers put in a memorandum to the Royal Grain Commission, of which Chief Justice Turgeon was chairman, favouring the principle of mixing. Third, the Saskatchewan Co-operative Elevator Company, with almost 30,000 farmer shareholders, considered the matter with their shareholders and board of directors, and they put in a recommendation to the Royal Grain Commission in favour of mixing.

Mr. GARDINER: Will the hon. member tell the committee what steps were taken to ascertain the views of the 36,000 shareholders of the United Grain Growers?

Mr. CRERAR: The question has been discussed at various times, and as I recall it, at annual meetings of the company. That is the considered judgment of these two commercial companies and the grain pools which were organized within the past year.

Mr. EVANS: The hon. gentleman is putting a wrong impression before the committee with regard to the Saskatchewan Elevator Company. The president of that company said that he was forced into it by the practice of the others, and that is why they adopted it.

Mr. CRERAR: I do not know what the president of that company stated, but I can assure my hon. friend (Mr. Evans) that I have read the memorandum that was submitted to the Turgeon inquiry by the board or directors of the Saskatchewan Co-operative Elevator Company after they had considered it. I have that memorandum in my office upstairs and I shall be glad to show it to my hon. friend if he has not seen it.

Mr. SALES: We are quite well aware of it, but it was not signed unanimously. I did not sign it.

Mr. CRERAR: I do not know as to that, but I know the board of directors submitted that memorandum to the Turgeon inquiry as the judgment of the board. The statement has been made that the millers in eastern Canada are opposed to mixing. I have heard that statement before, but I refuse to accept the judgment of a miller on a question of that kind. A miller is naturally interested in buying his grain as cheaply as he can. And

if he can buy a great variety of grades at the lowest possible price it is certainly to his advantage to do so. You cannot have the vast quantity of grades we have to-day in Canada and market them independently. I submit in all fairness and sincerity to my hon. friends behind me that the grain is going to be mixed somewhere and if it is not permitted in Canada it will be mixed in Europe or in the United States; and the people who mix it will get the advantage, while the producers of the west will get nothing. If you are going to have any merchandising of grain it is a sound principle to have it done as close to the producer as possible, because only by that means will he get anything out of it. I am as confident as I have ever been of anything in my life that mixing under proper supervision is bound in the end to work out to the advantage of the producers of the west. The farmers in western Canada, as my hon. friends around me know, have been asking for the last forty years for sample markets on which to sell their grain. It has been the subject of agitation for years.

Mr. SALES: No.

Mr. CRERAR: My hon. friend is mistaken. The farmers of the west have been asking for it for years; they are on record convention after convention as being in favour of it. And why? Because they wish to secure through the operation of the sample market the advantages which, for example, the United States farmer secures in that way.

Mr. SALES: The greatest convention of farmers, the Saskatchewan Grain Growers' Association, has never passed such a resolution as my hon. friend speaks of.

Mr. CRERAR: If my hon. friend goes back ten or twelve years he will find that they have done so.

Mr. SALES: I will go back twenty years.

Mr. CRERAR: I am not going to quarrel with my hon. friend on that point.

Mr. SALES: You cannot prove it.

Mr. CRERAR: I submit that if this amendment carries and this practice is stopped it will work an injury to the farmers of the west. I was never more confident of anything in my life. There will be certain grades of grain at certain seasons which will be practically unmarketable, because you cannot, with the vast territory over which we produce grain, avoid the multiplicity of grades which we have every year. It will work injury to the producers and for that reason I must vote against it.

Mr. HOEY: Would it be possible at all to ship certain tough grades of grain until they were treated in the private elevator? Would they not become heated on their way over?

Mr. CRERAR: Across the lakes?

Mr. HOEY: Across the ocean.

Mr. CRERAR: That has happened in the past.

Mr. FORKE: But it was a mistake to have that grain shipped.

Mr. EVANS: I can hardly forbear saying a word on this important matter, which means millions to the people of the west. I am opposed to anything that will lower the standard of No. 1 and No. 2 northern which set the price on the world's market, and mixing does that. It certainly is in the interests of the grain dealer to establish as wide a margin as possible between the grain as it leaves the farmer's wagon and as it goes into the boat at Fort William; and mixing does that. The hon. member (Mr. Crerar) says that the wheat is going to be mixed anyway and that the nearer to the farmer it is done, the better. What does it matter to the farmer how near it is done once it is out of his own hands? There are clauses in the act determining the different kinds of grain that shall compose No. 1 and No. 2 northern. How can we keep No. 1 and No. 2 northern up to their standard when we allow private elevators to put into these two particular grades any grain that will not pass muster at the inspection point at Winnipeg? There are some thirty different grades, and how can we expect to establish an export price if we are to allow any mixing with these two particular grades? If you allow these houses to lower the grades for export by means of mixing, the price will accordingly be lowered, and no person nor class nor interests should be allowed to do anything detrimental to the growers in any line of commodity when it is to be handled in a collective or co-operative way as wheat is handled. I wonder if a large volume of sugar were to be exported from the Dominion whether the producers would allow it to be graded by the government and pass into other hands and mixed, then allowing that mixture to set the price on the world's markets?

Mr. CANNON: After the sugar producer has sold his product he has nothing more to do with it.

Mr. EVANS: The whole act is supposed to be in the interests of the grower, and from the report of the grain commission I de-

sire to read a short extract to show how the product is lowered on the world's markets. At page 178 one of the members of the commission quotes the following information which he obtained from a miller:

"Anything in a sample of wheat that deteriorates its strength or lessens its yield of flour lowers its value to the miller and consequently lowers the price he can offer for it. Frosted kernels spoil the flour. Most of our bakers use machines for mixing the dough and get bad results from such flour." "What effect would a sprinkling of tough kernels have?" "The tough kernels do not condition the same as dry kernels. They are soft into the endosperm and flatten out under the rolls and do not release the flour. There is a loss in yield and they make a bad job of our milling." "Can you detect tough berries in a sample by physical examination?" "No, the moisture content of the sample would show a little higher than it would if they were not there, but we should not and could not detect the presence of a few tough kernels."

He goes on to say that uniformity is one of the things needed in the export of wheat, and when this damp grain is mixed with dry grain in the private elevators, that grain is detected when it is between the rollers. It will not break up and give the flour, and the miller sets his price accordingly. The committee will understand that any mixing that constitutes a deviation from the uniformity of the grades is bound to work out to the detriment of the producer. So much is this the case, that we practically give away the value of the wheat to the extent that such deviation has taken place. We must always bear in mind that the British miller knows what each consignment or shipment contains, and he sets his price for the next shipment accordingly. In the Old Country where the price is fixed the damp kernels practically count for naught; no benefit is derived from mixing them, for they stick to the rollers and do not deliver the flour as they should. And as I say, any consignment following a shipment of that kind must suffer as a result. It is obvious that grain mixed must be of less value than the unmixed commodity. This legislation is supposed to be in the interests of the producer. I think that a fair and uniform method of marketing should be established, and this bill should provide such a method of marketing in the interests of the farmer. And surely when the whole expense is borne by the farmer the act should be somewhat in his favour. If it is not, then it is a failure.

Mr. COOTE: I want to submit to hon. gentlemen opposite the opinion of a gentleman whose word I am sure they will have a great respect for in regard to this question of mixing grain. The following quotation I take from a statement made by the late W. C. Van Horne of the Canadian Pacific Railway on May 23, 1892:

The manipulation of grain at the terminal or transfer elevators is held to be wrong in principle. The practice in many of the private elevators in the United States has been a source of scandal.

Of course, he belonged to the old school among whom principle was a matter of great moment, and it is possible that to-day we have not so high a regard for principle in our business dealings.

Mr. McMASTER: What right has the hon. member to say that?

Mr. COOTE: It would appear so from what we hear. May I quote again very briefly from the report of the Royal Grain Inquiry Commission as to the basis on which the Old Country miller buys his wheat? At page 104 it is stated:

The English importer bases his offers on the quality of Canadian grain that he is receiving at Liverpool.

At page 185 we are informed something about the quality he is receiving to-day as compared with previous years:

Among the millers interviewed in the Old Country on this question, the preponderence of opinion was to the effect that during the last ten or twelve years there has been a slight gradual lowering of the milling value of Canada's One and Two northern wheat shipments to the Old Country through Atlantic ports, the evidence in the main being that in appearance the colour is lighter, the number of starchy kernels increased, the bran a little coarser; that frosted and damaged diseased berries are more common; that there is more foreign material—screenings—present; that the moisture content is higher.

This report also goes on to show that the practice of mixing has developed within the last ten or twelve years, and concurrently the quality of our grain—so the Old Country miller says—has gradually deteriorated while the private terminals have been allowed to operate. The commissioners further say that this practice of operating terminal elevators at Fort William as private terminals has really grown up without the authorization of the act. I am a little surprised to-night that we have not had the support of the Minister of Agriculture (Mr. Motherwell) in our opposition to mixing. I am sure he would not allow small potatoes to be mixed with large after they had once been graded; or that fancy eggs should be mixed with No. 1, or selects with specials. I remember not very long ago the minister introduced a bill to prevent buttermakers from renovating bad butter,—

Mr. McMASTER: I rise to a point of order, Mr. Chairman. The hon. gentleman is not sticking to the subject under discussion. I take this opportunity of suggesting that if

the dignity of parliament is to be maintained, members should not be kept at work for more than thirteen hours at a stretch, and I think the business of the House would go on just as fast if we adjourn now. It is almost two o'clock.

Mr. GRAHAM: That is the object of all this talk.

Mr. GARLAND (Bow River): Make a motion that the committee rise.

Mr. McMASTER: I make the suggestion to the House, and I hope it will meet the approval of hon. members. I think every man who has been working here for the last thirteen hours must be tired mentally as well as physically, and I think we would be wise if we adjourned and resumed our discussion to-morrow, with the endeavour then not to accentuate our differences, but to see how near we can get together in common.

Mr. STEWART (Argenteuil): Mr. Chairman, I reiterate what I said a few minutes ago. I think the committee have all the information they possibly can have on the question for or against mixing. I do not believe if members continue to speak from now to doomsday that very much more information would be gained on the subject. I think the committee are ready to vote any time, and if this clause was disposed of we could go home and be ready for work to-morrow.

Mr. SALES: Mr. Chairman, if I could feel that this question had been settled in the agricultural committee on its merits I would accept the minister's statement; but I cannot feel that it was. I wonder how many gentlemen on the opposite side of the House who had this Turgeon report placed in their hands have read or studied it?

An hon. MEMBER: We all had it.

Mr. SALES: Oh, yes, you all had it. I ask how many of you have read it

Mr. CANNON: Is the hon. gentleman insulting the intelligence of hon. members on this side of the House by insinuating for one moment that we would debate any question without being familiar with it? We know just as much as he does about the report—and more.

Mr. SALES: Mr. Chairman, judging from the amount of discussion from that side of the House, I would assume they had not read the report.

Mr. CANNON: Your assumption is wrong.

[Mr. McMaster.]

Mr. SALES: I have not yet heard any discussion from that side of the House.

Mr. VIEN: Will my right hon. friend (Mr. Sales) allow me to point out that even on this side of the House there has been quite a discussion, and that many of his own friends are not agreeing with his views?

Mr. SALES: Mr. Chairman, my hon. friends around me to-night seem to be agreeing pretty well with my views.

Mr. VIEN: There are quite a number disagreeing with my hon. friend's views.

Mr. SALES: If I were satisfied that the question had been decided on its merits I would not say another word; I am not. I want to ask those members on the other side of the House: put yourselves in the place of the producer, and let your grain go to Winnipeg, where it is graded by a government inspector who says that it is not good enough to go into this grade. Five and a half million bushels of no grade rough wheat went through to the private elevators in one year. The inspector said it was not good enough to go into the straight grade, but when it got down to Fort William it was put into the straight grade by the private elevators. Now, how would you like that, gentlemen? That is what I want to know. Can five and a half million bushels of grain which the inspector says is not good enough to go into the best grade be put into it without deteriorating those grades? And if you lower those grades you must lower the price to the producer. We are talking for the producer, the man who grows the grain, not a man like my hon. friend from Marquette, who is the president of a great big elevator company. If I were in his place I should do as he is doing—I should want a profitable practice continued. I do not blame him one bit.

Mr. VIEN: Is not my hon. friend a director of another elevator company?

Mr. SALES: No sir, you are mistaken.

Mr. CANNON: Is it not a fact that when my hon. friend was sitting on the board of which he was a member a few years ago, he held an altogether different opinion from the one he is expressing now?

Mr. SALES: Absolutely no. Wrong again. I have always maintained the stand I take now, and I shall continue to do so until evidence is produced to me which will change my opinion.

An hon. MEMBER: A good mixer.

Mr. SALES: Yes, a mighty good mixer I would inform my hon. friend—but not of wheat. Now, Mr. Chairman, that is the position. Let me say this, I am a shareholder in the company of my hon. friend (Mr. Crerar), and have been for a good many years—I was one of its earliest shareholders. We formed those farmers' companies, not to make a lot of money; we formed them to remove the abuses that existed in this trade. The great danger in these big farmers' movements is that they may lose sight of what they were formed to do. I say I do not blame my hon. friends; perhaps I would do the same thing. But this thing is wrong, and I do not think the House should take the responsibility of pitting its judgment against that of Mr. Justice Turgeon who for eighteen months travelled this country and who heard everything that was to be said both by the trade and by the producer, then summed it up in a report and drafted a bill at the request of the government. The bill as drafted by Mr. Justice Turgeon, section 141, would be perfectly satisfactory to me and my friends around me. I warn the House against pitting its judgment against the judgment of that commission, headed by one of the ablest jurists we have in the west.

Mr. CRERAR: I want to say just a word in respect to an observation made by the hon. member for Saltcoats (Mr. Sales). I have not reached my decision as to the course I should pursue upon this section from the point of view of any financial interest that might accrue to the company with which I am associated or to myself personally. Indeed, I shall not benefit to the extent of one copper whether this section passes or is struck out. That is not the ground upon which I raise my objection to the amendment of the hon. member for Medicine Hat. I rest it on the ground that it is in the interests of the producers of western Canada that the clause stay there, and I think I know as much of what is in the interests of the producers of western Canada as the hon. member for Saltcoats does, and am just as disinterested in that position as he is.

Mr. BANCROFT: The statement has been made that the nearer to the farmer this mixing takes place the better it is for the producer. Suppose instead of mixing at the terminal elevators we instituted a system of mixing at the local elevators at the country points and that each farmer as he hauled his grain to the elevator was shown the other grade that was to be mixed with it. We will assume that two farmers bring to the elevator their No. 1 wheat and a third brings in a load of feed wheat. The elevator man shows the farmers the load of feed that he proposes to mix in with their good wheat and still call it No. 1. I maintain that the system would not last twenty-four hours. In my opinion it is because the system is carried on at the head of the lakes—

Mr. STEWART (Argenteuil): My hon. friend's explanation is a ridiculous one. He knows perfectly well that feed wheat would not be thrown in with No. 1.

Mr. BANCROFT: It might be a little extreme, but I understand that a percentage of feed wheat is allowed in No. 1 wheat.

Mr. STEWART (Argenteuil): Not at all.

Mr. BANCROFT: The minister will agree that a percentage of feed may be put in No. 3?

Mr. STEWART (Argenteuil): That is quite different. Mixing does not affect grades one and two very seriously. It is the lower grades that are boosted up.

Some hon. MEMBERS: No.

Mr. BANCROFT: That has nothing to do with the point that I am discussing. I say that if the farmers could actually see the mixing take place, could see their grain mixed with these lower grades, the system would not last twenty-four hours.

Mr. SALES: I cannot allow the statement of the minister to pass that mixing does not affect No. 1 and No. 2 grades. We have it right from Mr. Justice Turgeon's report that sixty-eight million odd bushels of No. 1 were taken in, and 73,000,000 bushels of No. 1 were shipped out—private elevators only.

Mr. STEWART (Argenteuil): In the majority of cases No. 1 is not affected, but No. 2 is boosted up, and you may have a greater percentage of No. 2 shipped out.

Mr. SALES: I will give the figures. No. 1, bushels received, 68,761,359; bushels shipped out, 73,487,759.

Mr. McMASTER: What elevator is that?

Mr. SALES: Private elevators, mixing houses.

Mr. McMASTER: All the private elevators?

Mr. SALES: Yes. Of No. 2 we find that 17,844,833 bushels were received and 24,235,973 bushels were shipped out. When we get to

No. 3 we find that they shipped out less than received, and of No. 4 they received 1,550,000 bushels and shipped only 921,000 out, and so on. It is not confined to the lower grades, as the minister suggests.

Mr. STEWART (Argenteuil): What happens to the lower grades?

Mr. SALES: They disappear into the higher ones. You cannot put lower grade stuff into the higher grade stuff without somebody making a lot of money. I do not know about this profit of 1.25; personally I do not believe it. You cannot put the low stuff into the high stuff without lowering the quality of the high grade.

Mr. COOTE: There seems to be an impression that the feed wheat is not put into the higher grade. If you look at page 89 of the report of the Grain Inquiry Commission with regard to the Paterson elevator you will find that something over 212,000 bushels below No. 4 were taken into that elevator, and that includes rejected, tough, smutty, and everything else, and only 179 bushels of that 212,000 were put out below No. 4. Where is that stuff going to? The hon. member for Brome (Mr. McMaster) raised a point of order when I mentioned renovated butter, but I contend that bad butter and smutty wheat are in the same class, and when we prohibit the renovating of bad butter and calling it good butter or selling it as butter of any kind, why let this tough, rejected and smutty wheat, feed wheat, be mixed with No. 1, 2 or 3? It is beyond my comprehension. To use the words of the hon. member (Mr. Sales) in respect to the judgment of hon. members of this House, I do not think they are using judgment; they are probably voting as they are requested.

Mr. MEIGHEN. The hon. member has stated, and the hon. member for Saltcoats also has stated it several times, that Mr. Justice Turgeon ought to know it all after these eighteen months of inquiry.

Mr. SALES: No, not know it all.

Mr. MEIGHEN: Not know it all. Well, what he does not know the hon. member for Saltcoats could supply.

Mr. SALES: Thank you.

Mr. MEIGHEN: I have not heard any quotation from that report recommending that mixing be forbidden. If it is there, would some hon. member read it?

Mr. SALES: It is not there.

[Mr. Sales.]

Mr. MEIGHEN: Is that what he did not know?

Mr. SALES: I recognize myself that no law in Canada can prevent a man from buying a thing and doing as he likes with it, and no doubt Mr. Justice Turgeon recognized the same thing. But let them be confined to what they buy; that was the first amendment that hon. members voted down. You cannot stop a man from doing what he likes with his own, but you can regulate the thing. Of course I do not think it is any use talking. When I listened to the Amen chorus on that side of the House, I was ashamed. What are my people going to say when I go home and tell them what happened in the committee and of the Amen chorus on the government side of this House? I do not believe if the Master himself came down and spoke in this House he would have any effect on the vote.

Mr. CAMPBELL: Before the question is put I should like to quote from a speech which was delivered before the Montreal Reform Club some time ago which has a direct bearing on the issue at stake tonight. It is as follows:

> We consider as brothers all who live in Canada, and I will be the last one, and my colleagues in the House of Commons, to encourage a policy which for petty, material reasons will set the east of Canada against the west. This national union can consist only if all classes are treated with justice.

The CHAIRMAN: Order. That has nothing to do with the question before the Chair.

Mr. CAMPBELL: It is from a speech delivered by the hon. member for Dorchester (Mr. Cannon), and I would appeal to these hon. gentlemen to show a little of that Liberalism to-night.

The CHAIRMAN: The question is on the main motion, that the section do now carry. Those in favour will please say aye.

Mr. STEWART (Humboldt): Do we understand that this is the whole section 140 that is being voted on, or just subsection 1?

The CHAIRMAN: The whole of section 140.

Mr. GARDINER: If you carry the whole of it is it not possible to delete the whole of it?

The CHAIRMAN: You cannot move to strike out a whole section any more than you can strike out a whole vote in the estimates. The section was called in its entirety, the whole four clauses, and no objection was raised. So a vote wil be taken on the whole section.

Mr. COOTE: I rise to a point of order. I think there are some members who desire, if subsection 1 cannot be deleted, to move an amendment to add certain words. Now if you persist, Mr. Chairman, in taking the vote as you suggest, you preclude hon. members from moving an amendment.

The CHAIRMAN: Is there any member who desires to move an amendment?

Mr. STEWART (Argenteuil): I have an additional subsection 5 to move to the section, as follows:

Provided that at any time it is deemed advisable and in the public interest by the Board of Grain Commissioners, it may with the approval of the Governor in Council demand of any private elevator where mixing is practised or any public elevator which receives grain from a private elevator that all such grain when shipped out be covered by certificates that have marked across the face thereof in red or other distinguishing letters the words "From a private elevator."

The CHAIRMAN: The question is on the amendment.

Amendment agreed to.

Mr. STEWART (Humboldt): I move that clause (b) of section 140 be struck out, and that the following be substituted therefor:

All grain inspected out of a private elevator shall be required in order to receive a grade to be equal to the general average quality of the grain of a similar grade passing inspection at the initial official inspection point, and shall be properly cleaned.

The amendment I am moving is the clause found in the bill as originally drafted, and is in accordance with the recommendation of the Turgeon commission. It is not necessary for me to delay the committee longer than to point out that there are objections to mixing amongst the producers in western Canada, but I submit that if the product that comes out of the mixing elevator is inspected up to a grade equal to that the farmer receives for his product, there can be no complaint, nor do I think our grain would suffer in European markets if we were compelled to raise to that grade. I therefore submit the amendment.

The CHAIRMAN: May I ask where this amendment is to be placed?

Mr. STEWART (Humboldt): Strike out paragraph (b) of subsection 1 of section 140, and replace it with the words I have placed in your hands.

Mr. STEWART (Argenteuil): Does my hon. friend mean the grade pertaining to mixed grain shall be of the same standard as the grade placed upon the grain by the government inspector, say at Winnipeg?

Mr. STEWART (Humboldt): That is it exactly.

Mr. STEWART (Argenteuil): I frankly see no reason why we should not accept that.

Amendment agreed to.

Mr. GARDINER: I move that subsection 1 of section 140 be struck out.

The CHAIRMAN: That includes the amendment that has just been passed.

Mr. STEWART (Humboldt): Did you declare that amendment carried, Mr. Chairman?

The CHAIRMAN: Yes, but I did not declare the subsection as amended carried.

Mr. SALES: What is the effect of this new amendment?

The CHAIRMAN: It strikes out subsection 1 (a) and (b).

Mr. STEWART (Argenteuil): We have just accepted an amendment that the hon. member is now moving to strike out. I think his amendment is out of order.

The CHAIRMAN: This is 1 (b), but the whole subsection has not carried yet.

Amendment negatived.

Mr. LUCAS: I move to amend paragraph (a) of section 140 by adding after the word "owner" in the 14th line the words "which shall be on a separate form." I understood that when we were in committee discussing this section that was agreed to, but whether its omission was an oversight or not I am not prepared to say. This will mean that when the owner agrees to have his grain go to a private elevator, and he gives a written consent it will be on a separate form, so that he will know exactly what he is signing. This section says:

Except where grain is shipped to a private terminal elevator with the written consent of the owner.

Very often the consent appears in small print along with something else, and the owner does not know what he is signing, but if this is on a separate form his attention will be called to it and he will know what he is signing.

Mr. STEWART (Argenteuil): The form of the consent is to be approved by the board. Would not that cover the objection?

Mr. LUCAS: That form might include several other regulations, and if it is in separate form he will know what he is signing.

The CHAIRMAN: There is a grammatical error in the amendment.

Mr. CRERAR: That can be amended. My understanding of the discussion in the agricultural committee coincides with what my hon. friend has just stated.

Mr. STEWART (Argenteuil): We will accept that amendment.

Mr. JELLIFF: I think such an amendment was really carried in the agricultural committee along the lines the hon. member proposes. In some way it got twisted out of the bill.

The CHAIRMAN: I will make this amendment read in this way:

The form of such consent which shall be on a separate form to be approved by the board.

Amendment agreed to.

Mr. MILLAR: I wish to move another amendment—

Mr. GARLAND (Bow River): I move that the committee rise and report progress. We have sat here too long.

The CHAIRMAN: The hon. member who is moving the amendment has the floor.

Mr. MILLAR: This is a clause that appeared also in the original bill as drawn by the representative of the commission. I am not sure which section it will be, we travel so fast. It will read as follows:

No grain shipped from a private elevator shall be accepted for storage in the general bins of the public terminal elevator, but such grain may be stored in a special bin in any public terminal elevator, under regulations to be made by the board for the purpose.

The CHAIRMAN: This will be subsection (c) of section 1 of section 140.

Mr. STEWART (Argenteuil): I understand the committee, in their wisdom or otherwise, deleted this from the bill, and evidently after very careful consideration. I am inclined to favour the decision of the committee in this matter. I think we have covered this question fairly thoroughly now, almost to the satisfaction of everyone.

Amendment negatived.

Section as amended agreed to.

Progress reported.

CANADIAN MARINE INSURANCE

Mr. MACKENZIE KING: Before the House adjourns I may inform the House that I have received a cable from the high commissioner, enclosing the report of the Imperial Shipping committee, as follows:

Summary of Imperial Shipping Committee's Report on Canadian Marine Insurance

The Imperial Shipping committee has completed a unanimous report on canadian marine insurance. The question was referred to the committee by the Canadian government rather more than a year ago. As a preliminary step it was announced last summer that the committee had persuaded the underwriters to remove Halifax from the warranty which created a differential charge for the insurance of shipping entering British North American ports. Since then a mass of evidence has been obtained which is marshalled in the forthcoming report. The improvements to navigation and the record of casualties submitted by the Canadian government and the underwriters have been scrutinized. In view of the complexity of the problem involved it is impossible to summarize briefly the evidence but the conclusions at which the committee has arrived are that there is a presumption in favour of the present differential on the St. Lawrence, but that the evidence is in one respect incomplete, and moreover that directional wireless may alter the statistical position. The committee suggest that having regard to all the circumstances the joint hull committee should reconsider the position of St. John, N.B., and Prince Rupert, B.C. Under the warranty they also propose that steps should be taken for a systematic record of casualties in the St. Lawrence and that so long as the warranty is maintained there, all reference to British North America should be omitted from its title. The report will be published simultaneously in Canada and Great Britain early next month.

On motion of Mr. Mackenzie King the House adjourned at 2.20 a.m. (Tuesday).

Tuesday, June 23, 1925

The House met at eleven o'clock.

REPORT OF COMMITTEE

Twelfth report of the select standing committee on Miscellaneous Private Bills—Mr. Raymond.

PRIVATE BILLS

REFUNDING OF ADDITIONAL CHARGES

Sir HENRY DRAYTON moved:

That in accordance with the recommendation contained in the twelfth report of the select standing committee on Miscellaneous Private Bills the additional fee levied and paid under Rule 89, subsections 3 (c) and 8, on Bill No. 216 for the relief of Edna Fox, be refunded.

Hon. J. A. ROBB (Acting Minister of Finance): Once more before the end of the session I shall have to direct the attention of the House to this continual practice of the remission of fees. We meet here, give these applicants legislation and legal advice, take up the time of the House, and end up by remitting the fees. I think some day we will have to determine how soon it is going to stop.

Mr. W. F. MACLEAN (South York): The sooner divorce proceedings are taken away from this House the better for Canada. It is a scandal and a reflection on the House that the time of the parliament of Canada should be taken up with divorce cases, at a great expense to the country, when that business should be transferred to another place and be handled in a better way than before parliament.

Right Hon. GEORGE P. GRAHAM (Minister of Railways): Nobody's time ought to be taken up with it.

Motion agreed to on division.

Mr. T. L. CHURCH (North Toronto) moved:

That in accordance with the recommendation contained in the twelfth report of the select standing committee on Miscellaneous Private Bills the additional fees levied and paid under Rule 89, subsections 3 (c) and 8, on Bills Nos. 212, and 228 be refunded.

Mr. ROBB: The same objection. I direct your attention to the fact that the recommendations of the committee involve over a thousand dollars.

Mr. MEIGHEN: If the government objects, why does it not give effect to its policy?

Mr. ROBB: My hon. friend is quite right. I believe he would support me in this matter, but we must determine on some occasion at the beginning of the session and make it even for everybody.

Mr. MEIGHEN: Why not start when we make the objection?

Mr. SPEAKER: Perhaps when the rules are revised this will not happen.

Mr. JEAN J. DENIS (Joliette): I will oppose the motion unless reason is given why the money should be refunded. This has been done more than once and I have never opposed it, but when an hon. member rises and asks that fees in certain cases be remitted, without any reason whatever, I think I should oppose it.

Mr. SPEAKER: I might remind the hon. gentleman that the motion states that it is on the recommendation of the committee.

Mr. W. G. RAYMOND (Brantford): The matter came before the committee with reference to these bills and the committee recommended that fees should be refunded. It has been the custom and I think has been carried out without exception, to refund these fees. Without explaining the matter in detail, I think it is pretty generally understood that it is not owing to any fault of the parties that this procedure has been rendered necessary, but rather owing to the peculiar method of procedure that sometimes causes these fines to be exacted, that they have to put up money in order to get their case before parliament before prorogation. Certain dates are fixed for the presentation of such bills, and the expiry of the time rendered this motion necessary. I think petitions have to be presented by the 19th of March. I understand there has never been any exception made to the rule in regard to remitting fees, and therefore the committee made the recommendation to the House.

Mr. WILLIAM IRVINE (East Calgary): These two reasons offered by the hon. member are very good reasons why we should not allow this practice to continue. He says the committee has recommended it and also states that it has been customary in the past. Both are very poor reasons. If they are reasons at all they are reasons for putting a stop to this money being expended.

Motion agreed to on division.

Mr. A. E. ROSS (Kingston) moved:

That in accordance with the recommendation contained in the eleventh report of the select standing committee on Miscellaneous Private Bills, the additional charge levied and paid under rule 89 subsections 3 (c) and 8, on Bill No. 231 for the relief of Grace Wilhelmina Harrison, be refunded.

He said: I know the facts in connection with this case. These are overcharges for which she was not responsible and she wishes them to be refunded. She is a woman without any money whatever.

Mr. ROBB: Overcharges?

Mr. ROSS (Kingston): Yes, extra charges. The ordinary fees have been paid.

Motion agreed to on division.

Mr. H. A. STEWART (Leeds) moved:

That in accordance with the recommendation contained in the twelfth report of the select standing committee on Miscellaneous Private Bills, the additional charges levied and paid under rule 89 subsections 3 (c) and 8, on Bill No. 235, for the relief of James Deverell, and Bill No. 226 for the relief of Mary Ann Tattersall, be both refunded.

Mr. ROBB: Same objection.

Mr. DENIS (Joliette): How are these different from the others? Why should these charges be remitted? There may be some good reasons, and if so I will be glad to support the motion.

Mr. STEWART (Leeds): I should be very glad to have the influential support of my hon. friend, and I think I shall get it before this motion is put. These are fines simply because the petitions are not presented within the time specified under the rule; and, following the usual recommendation, as has been done in all these other cases, it is asked that these be refunded.

Mr. DENIS (Joliette): This is a penalty that is asked to be remitted?

Mr. STEWART (Leeds): Yes.

Motion agreed to on division.

Mr. D. J. SINCLAIR (North Oxford) moved:

That in accordance with the recommendation contained in the twelfth report of the select standing

committee on Miscellaneous Private Bills, the additional charge levied and paid under rule 89 subsections 3 (c) and 8 on Bill No. 236, for the relief of Anita Allcock, be refunded.

Mr. ROBB: Same objection.

Motion agreed to on division.

GERMAN SECURITY PACT

On the Orders of the Day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): The leader of the opposition (Mr. Meighen) requested a day or two ago that the correspondence relating to the security pact should be laid on the table of the House. Before the request was made, I had communicated with the British government with respect to the correspondence, asking permission to lay on the table such of the correspondence as there might be no objection to disclosing in public. The Secretary of State for the Colonies has advised me that a white paper containing the correspondence on the security pact was published in Great Britain last week, and that it is being sent by mail and should reach Canada by the middle of next week. The British government is of the opinion that it would be of advantage if we could arrange to have the whole of this white paper republished in Canada on its arrival; that it would be better to publish leading documents verbatim in Canada rather than have published various telegrams sent during the last two weeks from which communications persons unfamiliar with the subject might find it difficult to gather the present position. The Secretary of State for the Colonies suggests that we might publish at once the original memorandum communicated by the German Ambassador at Paris to the President of the Council on the 9th February and the note from the British government to the German government on the 16th June, the text of both of those documents having been coded yesterday for transmission. I expect that the messages will arrive to-day and if received in time I shall lay them on the table of the House before the House adjourns. These documents are respectively the first and the last in the white paper, the intervening documents being concerned with communications between the French and British governments regarding the terms of the French reply, the gist of which we have had by telegram. I might say to my right hon. friend that I can appreciate the reasons why the British government would prefer to have copies of the same document laid on the table at Westminster and the table here rather than the telegraphic despatches which have passed to and fro, and which as this message, the contents of which I have just indicated to the House, states, are but summaries and the gist of the main communications. Let me add, that I would be glad, if my right hon. friend or the leader of the Progressive party (Mr. Forke) should wish to see the entire file of the confidential correspondence, to place it at their disposal in the interval.

HOME BANK DEPOSITORS

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): In view of the fact that the Senate has changed entirely the principle of the measure providing for the reimbursement of Home Bank depositors and otherwise mutilated the bill, is it the intention of the government to bring in a supplementary estimate for an amount to carry out the expressed will of parliament?

Hon. J. A. ROBB (Acting Minister of Finance): The matter will be considered when we reach the item on the order paper.

INQUIRY FOR RETURNS

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I have in my hand a return which the government laid on the table yesterday. It was moved for by the hon. member for Vancouver Centre (Mr. Stevens) and passed on June 8, asking for the total expenses incurred by the special committee in its investigation into ocean rates, showing:

(a) Full amount paid to Mr. Symington in fees, (b) the amount in fees still due to Mr. Symington as counsel, (c) total amount paid and incurred for expenses to Mr. Symington, (d) the amount paid to each witness for fees and for expenses, (e) the amount paid or proposed to be paid to Sir William Petersen for fees, or, and, for expenses, (f) amount in full paid to W. T. R. Preston.

And so on. There is a partial return given by the clerk of the House which, in so far as the House goes, could not be complained of. But as to Mr. Symington, the return which the government sees fit to hand to parliament answers the questions in the following manner:

(a) No information; (b) no information; (c) no information; (d) no information; (e) no information.

The return from the House gives merely a total of twelve witnesses; services of watchman; S. R. Gordon, incidental expenses; and so on. I can scarcely trust myself to comment on a government presenting such a return as this to parliament in respect of moneys belonging to this country paid out by a committee. If the government had not the in-

formation it was its business to obtain it. But, of course, the fact is that the government had the full information, although it sees fit to bring down a return of this kind a couple of days before the close of the session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): The explanation is quite apparent. What has evidently happened has been that one department of the government, the Department of Trade and Commerce, has sent such information as it has had to the Department of the Secretary of State—which department assembles all the information—and the remaining information has not as yet been sent in. It would appear that in order to get the return down as speedily as possible, it has been submitted in this imperfect form. I agree with my right hon. friend that the return is not complete; it might have been held until the full information was available.

Mr. MEIGHEN: Between June 8 and June 27 there should be plenty of time to get all this information, which could have been secured in an hour. There is a long series of orders to which no return at all has been made, but I shall refer only to some moved for on this side of the House. There is still unanswered a motion of the hon. member for West York (Sir Henry Drayton) of March 2, referring to the duties paid by the American railway companies on American rolling stock used in Canada. Why it should be difficult to obtain the information in regard to this question I do not know; it would be all in the Customs department and no great delay would be necessary. There is another by the member for West Algoma (Mr. Simpson) on March 9 asking for the number of motor cars purchased by the government since January 1, 1912, make of same, total price paid for each, and so on; another by the hon. member for Kent, New Brunswick (Mr. Doucet), on March 16—over two months ago—asking for correspondence between the Department of Marine and others regarding services rendered in saving lives by Tiburce Mallet of Ste. Marie, Shippigan Islands, New Brunswick; another by the hon. member for Vancouver Centre on March 30, for a copy of correspondence passing between the Department of National Defence or the Department of Justice and the Canadian Coal Sales Company, Limited; another by the hon. member for Halifax (Mr. Black), for a copy of all correspondence, reports, documents and so forth, between the Department of Justice and any other departments relating to the appointment of an inspector of penitentiaries; another by the hon. member for Vancouver Centre, on April 22, for a copy of all correspondence and documents between the governments of Roumania and Greece and the government of Canada, or the High Commissioner or any other person representing Canada, regarding the adjustment of outstanding debts; another by the hon. member for Kent, New Brunswick, on May 6, asking for correspondence and so forth, relating to an alleged violation of law in regard to intoxicating liquors on the premises of the Franco-Canadian Import Company; another by the hon. member for Fort William and Rainy River (Mr. Manion), on May 11, for a copy of all reports with reference to Wrangel island; another by the hon. member for New Westminster (Mr. McQuarrie), on May 18, for correspondence with regard to storage alcohol in bonded warehouses; another by the hon. member for Yukon (Mr. Black), on May 20, asking for a return showing rate per day paid to certain officers; another by the hon. member for Leeds (Mr. Stewart), on May 25, for correspondence between the government and Sir George Perley regarding Dr. Béland—I believe this last one has been referred to since but no correspondence has been brought down. There are many questions which have been made orders for returns. I believe there is one by the hon. member for South Oxford (Mr. Sutherland), on June 15; one by the hon. member for New Westminster (Mr. McQuarrie), on June 15; one by the hon. member for Kent, New Brunswick, on June 15; and three by the hon. member for North Toronto (Mr. Church) on June 17 and 18. These of course are rather recent. I would call attention particularly to those which date back to March, and especially to the first two which are important and in regard to which I can find no excuse at all for the delay in complying with the order of the House.

Mr. LAPOINTE: Among the numerous papers referred to by my right hon. friend I notice that there is one concerning the coal investigation in Winnipeg. Those documents were tabled yesterday. And in order to satisfy the hon. gentleman's eagerness for information I may tell him that so far as the appointment of the inspector of penitentiaries is concerned I now have pleasure in laying the papers on the table.

PULPWOOD CONCESSIONS IN MANITOBA

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Can the Minister of the Interior inform the House whether any application has

been made for a second pulp mill concession in Manitoba? And does clause 9 of the order in council prevent the establishment of another pulp mill?

Hon. CHARLES STEWART (Argenteuil, Minister of the Interior): We have an application from Mr. Seaman, of Chicago; as to the second question, clause 9 does not prevent such establishment.

Mr. WOODSWORTH: What is the meaning of clause 9?

Mr. STEWART (Argenteuil): It simply refers to lake Winnipeg. I shall be glad to discuss the matter with the hon. gentleman on another occasion; it would take too long to go into the whole subject now. We are considering the application of Mr. Seaman at the moment.

Mr. W. J. WARD (Dauphin): I have a question similar to that which the hon. member for Centre Winnipeg (Mr. Woodsworth) has asked. Does the J. D. McArthur contract in any way tie up all the pulpwood in Manitoba? If not, will the minister advise me as to what wood areas are still left open in the province for anyone wishing to establish a mill?

Mr. STEWART (Argenteuil): There is a reservation pending selection north to township 46, west, and west of lake Winnipeg. Apart from that, the Nelson river, the Saskatchewan valley, and the territory north of my hon. friend's constituency is all open for applications from all comers.

EXPORT OF POWER—TAX

On the Orders of the Day:

Sir HENRY DRAYTON (West York): What progress is the Minister of Trade and Commerce making with reference to the question of municipalities in relation to the tax on the export of electricity? Is this inordinate delay for the purpose of working up a defence to what appears to be an absolutely proper application? If it is, that defence should now be submitted and the matter debated before parliament prorogues.

Hon. T. A. LOW (Minister of Trade and Commerce): I have nothing more to add to the answer I gave last week. When the session is over we shall be glad to take up a number of pressing matters and the one referred to by my hon. friend will be dealt with then.

CANADA-WEST INDIES CONFERENCE

REPRESENTATION OF NEWFOUNDLAND

On the Orders of the Day:

Mr. H. C. HOCKEN (West Toronto): Did the government of Newfoundland ask the courtesy of representation on the Canada-West Indies Conference, and was that courtesy granted? If not, why, in view of the fact that Newfoundland has such intimate relations with both Canada and the West Indies?

Right Hon. W. L. MACKENZIE KING (Prime Minister): A communication was received asking whether it would be convenient for Newfoundland delegates to participate in the conference. For reasons that must be perfectly obvious the government felt that as the conference was between the West Indies and Canada and not between Newfoundland and Canada or Newfoundland and the West Indies it was desirable in every way to restrict the conference to the representatives of the two countries immediately concerned. The government informed the Newfoundland authorities that if in any way we could facilitate any conference between themselves and the West Indies which they might wish to have we should be only too happy to do so. But we intimated that it was doubtful whether it would facilitate the business with which we were immediately concerned if a third party were introduced into the conference. There was no discourtesy of any kind. On the contrary, there was every indication of a desire to co-operate with our friends of Newfoundland.

CANADIAN REPRESENTATIVE AT WASHINGTON

On the Orders of the Day:

Mr. S. W. JACOBS (George Etienne Cartier): A few weeks ago I put some questions on the order paper respecting the proposed appointment of a Canadian envoy to Washington. The Prime Minister asked that the questions should be dropped stating that the matter would be taken up when the estimates were before the House. Unfortunately when these estimates did come before the House I was not here, and I gather that the Prime Minister did not then vouchsafe any information on the question. Might I now ask the Prime Minister whether it is the intention during the recess to make the appointment to Washington, or is it intended that it should go over until after the general election?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I think it is unfortunate for my hon. friend that he has to confess he was not here when the matter was discussed. It was dealt with very fully when the estimates were taken up, and I intimated to the House at the time that the government had every intention of making this appointment. Some opposition was raised to the proposal, but the House seemed

to approve of the appointment being made, and I hope that shortly after prorogation this may be done.

BANK OF COMMERCE: BANK OF HAMILTON

On the Orders of the Day:

Mr. G. G. COOTE (Macleod): May I ask the Acting Minister of Finance (Mr. Robb) when we may expect the return ordered on June 9, 1924, of the correspondence that passed between the government and the Bank of Commerce and the Bank of Hamilton regarding the amalgamation of these two banks?

Hon. J. A. ROBB (Acting Minister of Finance): I recall that this was passed upon a few days ago and sent over to the department that transmits returns to the House.

CANADA GRAIN ACT AMENDMENT

The House resumed from June 22 consideration in committee of Bill No. 113 respecting grain, as amended—Hon. Mr. Low—Mr. Gordon in the chair.

Sections 141 and 142 agreed to.

On section 143—Elevator used exclusively for seed grain. License to operate. Statements.

Mr. MEIGHEN: Why is 143 all underlined? Is it a case of another rejection of a recommendation by the Turgeon commission?

Mr. LOW: It is simply a change suggested by the Department of Agriculture to take care of seed grain.

Mr. MEIGHEN: There was one before.

Mr. CRERAR: That is subsection 1. Subsection 2 is new.

Mr. MEIGHEN: I guess we have all the information the government has.

Mr. LOW: Mr. Chairman, there is a typographical error in subsection 1, and I would ask that the word "primarily" in the second line be changed to read "exclusively". Subsection 2 is simply to allow the pools to operate country elevators for the use of their own members.

Mr. CRERAR: Under certain conditions.

Amendment agreed to.

Section as amended agreed to.

On section 144—Owners and lessees to be licensed. Application for license. Expiry and effect of license. Inspection, Etc.

Mr. MEIGHEN: Was there no provision for the board to inspect country elevators under the old act?

Mr. LOW: There was no general provision.

Mr. MEIGHEN: What provision was there of any kind?

Mr. LOW: Chief Justice Turgeon thought it was well to insert a clause specifically providing for the inspection of these elevators by the grain board. Heretofore they have been inspected by the board, but without any specific authority.

Section agreed to.

Sections 145 to 147, inclusive, agreed to.

On section 148—Duties of warehouseman.

Mr. LOW: In subsection (e) at line forty-six there is a slight error. It should read, "inspector's grade and dockage".

Amendment agreed to.

Section as amended agreed to.

Section 149 agreed to.

On section 150—Warehouse receipt.

Subsection 1 agreed to.

On subsection 2—Contents of receipt.

Mr. GOULD: I have an amendment to submit, as follows:

That subsection 2 of section 150 be amended by striking out all the words in the second paragraph thereof after the word "weights" in line ten up to and including the word "provides" in the twelfth line, and substituting therefor the following words:

"Only when such grain is shipped to a point at which there is no official grading and no official weighing."

The clause as drafted presumes that all grain leaving a country elevator will go to a terminal point or some place where there are official scales and weighing facilities, but such is not the case. A large trade is carried on in the transfer of grain from one point to another, as in the case of feed, seed and various other things of that nature. The clause as drafted makes no provision for that, and I think the amendment would cover it.

Mr. LOW: I am sorry that we cannot accept that amendment. The clause has been given a good deal of thought by the committee and should, I think, be adopted. It safeguards the interests of all.

Mr. FORKE: I want to understand this paragraph. It says:

Where delivery is made into cars on track at the country elevator the bill of lading (if issued) and an affidavit of weight shall upon request be delivered by

the country elevator to the owner and thereupon the country elevator shall be relieved from further liability for grades and weights.

Then it says:

Except in so far as the "subject to grade and dockage" ticket otherwise provides.

If the grade and the dockage is stated on the ticket, would the country elevator be liable, and if it is not mentioned on the ticket would all liability cease?

Mr. LOW: The country elevator fills up a car of wheat as requested by the owner. He is given a grade and he has the right to accept that or reject it. If he wishes to name the elevator to which it shall be shipped he has to assume the responsibility. He may say, "I want that car shipped to Vancouver," but if the country elevator is to be responsible for the grain we feel that it should have some voice as to the elevator in which it is to be placed.

Mr. FORKE: The country elevator may ship a car of wheat and give an affidavit that it contains so many hundred bushels, but how does the owner know what sort of wheat is being shipped? What protection has he got?

Mr. LOW: Surely no elevator company would make an incorrect declaration as to weight. When a miller in eastern Ontario buys a car of grain he accepts the weight of the shipper; it is unloaded at his mill and if he finds a shortage, he files a claim against the railway company. As to grade, under the present system the shipper or the owner of the car has the right to examine the shipment. If he thinks the grade stated by the country elevator is not correct, then he can give instructions that the car be shipped on, but it will have to be shipped on the responsibility of the country elevator; it will be inspected and it will receive the grade that is declared at the other end.

Mr. LOVIE: Will the railway company accept an affidavit from the elevator operator that there are so many bushels in a car and guarantee to settle for that many bushels at the end of the journey?

Mr. LOW: I might cite the experience of the eastern Ontario millers. When a car comes in with a shortage we file a declaration with the railway company, and when we establish our claim we receive a refund for the amount.

Mr. GARDINER: How do you establish your claim?

Mr. LOW: Every claim has to be supported by declaration of the person making the claim.

[Mr. Forke.]

Mr. GARDINER: Is there any official weighmaster who weighs the wheat into the car?

Mr. LOW: The eastern Ontario miller simply weighs it in himslf, and the man weighing it in makes the declaration for the company.

Mr. COOTE: Is there an official weighmaster who weighs it into the car?

Mr. LOW: No.

Mr. GARDINER: Where do the Ontario millers usually get their wheat from,—the public terminal?

Mr. LOW: From any elevator, from Fort William when it comes by rail, or when lake and rail, from Georgian bay ports.

Mr. GARDINER: In that case there would be an official weighmaster who would weigh the wheat into the car?

Mr. LOW: At the head of the lakes only, not at the bay ports such as Goderich and Port McNicoll.

Mr. GARDINER: There would be quite a difference between getting wheat from the head of the lakes, and a car of wheat shipped out of a country elevator. You would have the official weighmaster weigh the grain at the head of the lakes, whereas in the case of the country elevator the operator would simply give an affidavit. There would be quite a difference between accepting that affidavit by the railway companies, and the certificate of the official weighmaster at the head of the lakes.

Mr. LOW: A country elevator that made false declarations in regard to weight could not remain in the business. If it were found that anything like this happened once or twice, we would become suspicious, and the Canada Grain Board would investigate the matter at once. I do not think there is the slightest chance of any responsible country elevator making a false declaration as to weight.

Mr. COOTE: What is the present practice under the old act? Does not the elevator company guarantee your weight?

Mr. LOW: Yes, but it has control of the car right to its destination.

Mr. COOTE: Under the old act, does not the farmer have the right to bill his wheat to any terminal he desires?

Mr. MOTHERWELL: I do not pretend to understand all this business the way it is drafted in the act. I do recollect, however.

that the mixers were in the saddle the day this was put in, and because of that I feel like shying away from this a little bit. There is a direct premium here to ship to a mixing elevator, because the weights and grades are guaranteed to anyone who will ship to a mixing elevator. That is a tremendous inducement to ship to a mixing elevator. But there is a proviso just before that, to the effect that weights and grades shall not be guaranteed under certain conditions. I wish somebody would explain this to me. I do not pretend to understand it, but it looks bad to me the way it is.

Mr. BROWN: They have always been guaranteed by the public terminal.

Mr. MOTHERWELL: It says:

Should a country elevator on the order of the owner deliver the grain at a private terminal elevator approved by the country elevator, the country elevator shall guarantee the grade and weight.

There is an inducement to any man to ship to these mixing elevators, because he can have his grades and weights guaranteed.

Mr. CRERAR: It is the same if it goes to a public terminal.

Mr. MEIGHEN: Has the minister turned against mixing since it carried safely last night?

Mr. MOTHERWELL: I have never been in favour of mixing but as I cannot have all my own way in this concern, I try to get as much as I can.

Mr. MEIGHEN: The time to raise a row was last night, not now.

Mr. MOTHERWELL: I think mixing will kill itself in time, but in the meantime I want to get as many restrictions thrown around it as possible.

Mr. HOEY: Are the weights and grades guaranteed if the shipper ships to a public terminal?

Mr. MOTHERWELL: Oh yes.

Mr. LEADER: Suppose a farmer unloads 1,100 bushels of grain at the elevator, and asks that it be put on the track as soon as possible The elevator man puts it in a car on the track and says to the farmer, "What are you doing with it?" "I want this sent to the Mutual Elevator, Fort William," the farmer replies. The elevator operator—it may be the Grain Growers'—may say, "We do not countenance that elevator. If you ship there, it will be at your own risk as to grade and 12 noon weight." The elevator man assumes no responsibility for the shipment. It is true he will sign an affidavit, but he is not liable. He can load 1,000 bushels into that car, and, of course, it will weigh 1,000 bushels when it gets to its destination. The farmer will say, "I have tickets for 1,100 bushels. The car you shipped out is 100 bushels short." Then the elevator man may say, "I told you you sent it to that terminal at your own risk," and the farmer is out that 100 bushels. He cannot collect on it from the elevator.

Mr. LOW: How long would that elevator continue to remain in business if it did that? It would be impossible for it to stay in business.

Mr. LEADER: I submit they should not be given the power to do it at all. We should reserve the right to the farmer to designate where his grain should go.

Mr. CRERAR: I think the point my hon friend from Portage la Prairie (Mr. Leader) is making will be evident to the committee, but his statement hardly covers all the facts in connection with it. There are four methods by which a farmer may dispose of his grain:

First, he may sell it by the wagon load to the elevator buyer, in which case his grade and price is established at once. He gets cash tickets and the transaction is closed.

In the next case, he may special bin his grain, that is, secure a bin in the elevator, put his own grain into it, and the identity of that grain is maintained. In order that there may be no juggling with the grain by the elevator operator, provision is made in the law whereby a sample may be taken from each load delivered and placed in a tin receptacle, and the farmer delivering the grain has the key and padlock to that receptacle. He has a right to it if he wants to use it.

The next method is this: The farmer may bring in his grain. Perhaps he cannot get a special bin. He and the elevator operator may agree on the grade of the grain, and a graded storage ticket is issued to him for the weight and grade mutually agreed upon between them. That grain is then binned with grain of a similar grade by the elevator operator.

Another method is open to the farmer when he brings his grain to the elevator. He and the elevator operator may not be able to agree on the grade, so he gets a ticket that is called a "subject to grade" ticket. Provision is made for securing samples of the grain, and the samples are forwarded

to the inspector. The inspector gives an official grading on the sample, and that grading governs the "subject to grade" ticket.

Mr. FORKE: The hon. member for Marquette (Mr. Crerar) has mentioned the case where the seller and the buyer cannot agree as to the grade, and he says that samples of that grain are taken and sent to the inspector. I want to know what they do in the meantime with those loads of grain that are waiting for inspection. It must be mixed with other wheat, and put somewhere else. That provision is not very much use.

Mr. CRERAR: I do not think my hon. friend from Brandon (Mr. Forke) has fully considered the matter. If he had, he would have seen the position. In the case where the grade is not agreed upon and a "subject to grade" ticket is issued, the elevator operator takes the grain in and puts it with other grain that he thinks corresponds with it in grade, and he accepts the responsibility. But the actual grade is determined by the sample that is sent to the inspector, and it is the inspector's grading that governs, so far as the price to the farmer is concerned.

Mr. McMASTER: In the case of the farmer who brings his wheat to the elevator, and who is not able to agree with the elevator man as to the grade, and takes a "subject to grade" ticket, does he have anything to say as to the quality of the grain with which his grain is mixed?

Mr. CRERAR: No, and he does not need to have that, because the grading given by the official inspector will govern. Consequently he gets the grade that the inspector puts upon his grain.

Mr. HOEY: He can demand reinspection.

Mr. CRERAR: These are the different methods by which a farmer may dispose of his grain when he brings it to a country elevator. Now we come to the clause we are considering. When the grain is loaded out on track, the elevator company, under the law, is responsible for delivery at a terminal point, if the farmer so chooses, of the amount of grain and the quality of grain that his tickets call for. The elevator has no option in the matter. If the farmer comes to the elevator and says, "I want my grain—quantity, quality and grade as called for by the ticket you issued to me—delivered at Fort William, then they must deliver that to him at a terminal elevator. The point urged by my hon. friend from Portage la Prairie is this: If the farmer wishes, he should have the right to get that grain at a country point; in other words he could say to me, "You put my grain in a car at an elevator, the amount that my tickets call for, and the quality, and give it to me and you are done with it." But I reply, "I am not done with it at that point, because I have an interest in it to see that it is graded and weighed, in order that my interest in the obligation to you may be protected"; consequently the clause provides that I have a right to say where the grain shall go that I may protect my interest, and that is a fair and just proposal. If the farmer says, "I am going to send the grain out of the country, to Timbuctoo, or Hong Kong"; I say, "All right, if you are going to do that I will give you an affidavit as to the weight and grade but you relieve me of any further responsibility." Is that not perfectly fair? If the grain legislation did not provide that the country elevator operator had to deliver the grade and weight at the terminal, then the argument of the hon. member for Portage la Prairie would be perfectly legitimate; but it is not legitimate, under the circumstances, because I have certainly an interest in the grain in protecting the grade or the dockage that my operator may have given in the country. For instance, it is put into a bin. The elevator operator at a country point who takes in the grain of the hon. member for Portage la Prairie puts four per cent dockage; it comes down to the inspector, and he says, "That is six per cent dockage." Have I not a direct interest in checking that up with the inspector and seeing that my interest is protected by showing that he has put on too much dockage?

Mr. STEWART (Humboldt): Should there be any difference, so long as a car goes to a point where there is efficient weighing and inspection? Should not the inspection at one point be equal to the inspection at another point, and the same with the weighing?

Mr. CRERAR: Not necessarily.

Mr. STEWART (Humboldt): I think you are making a grave charge against our inspection and weighing department.

Mr. CRERAR: No. Why do the United Grain Growers and practically every other company maintain their own inspection office? It is to check the work of the inspection department, so far as their grading is concerned. There is not a day when changes are not made in the grades. When inspection is going through at the rate of twenty-five hundred cars a day there is a possibility of errors, and if I am deprived of

my right to protect my interest in the grade it is an injustice to me. The clause recognizes that I have an interest in the grain and may follow it and protect my interest in it until I deliver it to the owner at the terminal elevator.

Mr. LEADER: I agree with the hon. member for Marquette (Mr. Crerar), that the elevator certainly has a great interest in this, and would like to see that it goes to the terminal where they would receive proper weights and have proper inspection also; but I submit humbly that the farmers also have a reasonable interest in this, as they have produced it. The hon. member for Marquette is speaking in the interests of the elevators, which is his undeniable right, and I am speaking in the interests of those who grow the grain. I maintain they are both interested. By this clause you are taking away the right of the farmer who produces the wheat to say where it should go and the terminal elevator it should be put into, and you are giving to the elevator man the right to dictate that this grain must be unloaded and reloaded at a certain place.

Mr. HALBERT: Would my hon. friend be satisfied to release the elevator from obligation?

Mr. LEADER: I would not. I have had a little experience in running elevators and I want to say, in answer to the Minister of Trade and Commerce, that the elevator man may be thoroughly honest, but he may be careless; he may imagine he has all the farmer's grain in the elevator and he may not have it. He may have forgotten to turn the spout, and there may be half a load of grain which has not been taken in. He does not know how much was taken in. Then he may dilute the grain, he may be taking in barley or may be taking in No. 3 and may have forgotten to change the spout. He may have taken No. 1 northern, and there may have been half a load of No. 3 dumped into the bin; it goes out and possibly it is graded at No. 2.

Mr. CRERAR: That does not affect the farmer.

Mr. LEADER: No. If the farmer's ticket calls for No. 1 he will be paid for No. 1. If through the carelesseness of the loading elevator he has mixed in with it some poor quality of wheat, I do not think the farmer should stand the loss. In other words, if you delete this clause the elevator company is responsible for the weight and the grade, if you leave it in he is relieved from responsibility, and the farmer has to take his medicine.

Mr. CRERAR: My hon. friend is mistaken. I am only relieved when the grain is shipped to any point where I have no control over it to protect my interest in it. If the country elevator issues No. 1 northern storage tickets to my hon. friend from Portage la Prairie, they have to deliver No. 1 northern wheat to him in the terminal elevator. There is not any objection to that. The law specifically provides for it, and consequently his interest is entirely protected. I repeat that the fundamental thing is this: When a country elevator issue tickets for No. 1 northern, 1,200 bushels, to a farmer, they have to deliver 1,200 bushels of No. 1 northern wheat in the terminal elevator to him, and he can do what he likes with it when it is there.

Mr. LEADER: If the grain in the country elevator does not come up to the grade, the elevator is held responsible.

Mr. CRERAR: That is right, and that is why the elevator requires the protection. If I issue a ticket for No. 1 northern I want to be able to follow it and see that my interest is protected.

Mr. HOEY: What protection has the farmer with respect to grade when he loads his grain over a loading platform?

Mr. CRERAR: He has no protection at all.

Mr. MEIGHEN: I can explain everything about this section except the explanation. I understand the argument of the hon. member for Marquette quite well,—the argument going to show that if the elevator owner is to be responsible for the grade and the quantity of wheat which he gives out he has to have some control in order to protect his own warranty. But I cannot see where he has it under the clause. Certainly if the explanation is right he has not got it. Subsection 2 says:

> —the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, in quantities not less than carload lots on track at a public terminal elevator (unless otherwise mutually agreed) at such terminal point in the Western Inspection Division as the owner may specify.

There is nothing here to give the elevator man any right of specification at all. The subsection continues:

—(or on track at such proper terminal elevator at or adjacent to Duluth as the owner may specify) so soon as the transportation company delivers the grain at such elevator and the certificates of grade and weight are returned.

What I want to point out is that the owner seems to have his hand on the grain all the time; I do not see where the elevator man keeps control at all. The next is the same:

Where delivery is made into cars on track at the country elevator the bill of lading (if issued) and an affidavit of weight shall upon request be delivered by the country elevator to the owner and thereupon the country elevator shall be relieved from furthr liability for grades and weights—

That is very true. He is relieved right there at the spot if he gives an affidavit and certificate of weight, but that does not say that if he does not dispose of the grain in that way he has any control of it beyond the elevator. Apparently, the owner has full charge.

An hon. MEMBER: Read some more.

Mr. MEIGHEN: I shall read the whole of it:

Should a country elevator on the order of the owner deliver the grain at a private elevator approved by the country elevator, the country elevator shall guarantee the grade and weight.

That is another matter:

Nothing herein shall prevent the owner of such grain from, at any time before it is shipped to terminals, requiring it to be shipped to any other terminal than as hereinbefore provided.

The owner all through! Where is the part of clause 150 which gives the elevator man the protection which the hon. member for Marquette says that he is entitled to?

Mr. CRERAR: I think it lies in this. As the elevator operator I ship the grain, after ascertaining from the owner which terminal point he wishes it sent to, that is, whether it is Vancouver or Fort William. I ship the grain to that point to the elevator where I think my interests can be protected. If the owner of the grain comes along and says: No, I want delivery of the grain at the shipping point, the country point, I say: I will give it to you on complying with certain conditions.

Mr. LOW: If my right hon. friend will refer to page 54, he will find the answer in the second clause from the top of the page where it states:

Where delivery is made into cars on track at the country elevator the bill of lading (if issued) and an affidavit of weight shall upon request be delivered by the country elevator to the owner and thereupon the country elevator shall be relieved from further liability for grades and weights, except in so far as the "subject to grade and dockage" ticket otherwise provides.

Mr. MEIGHEN: That does not affect the matter at all. I think the hon. member for Marquette (Mr. Crerar) may have me on the right track now. Does he mean to argue that all the control the owner has is to say what terminal point the grain shall go to?

Mr. CRERAR: Yes.

Mr. MEIGHEN: But if he chooses the terminal point at Duluth, then he can state the very elevator it goes into. If he does not say Duluth, if he says Fort William or Vancouver, he has no choice of elevator, he has only a choice of the point to which the grain is to be shipped?

Mr. HOEY: Has the shipper the choice of the elevator?

Mr. MEIGHEN: Apparently, he has if the grain goes to Duluth. The clause reads:

Or on track at such proper terminal elevator at or adjacent to Duluth as the owner may specify.

He may choose the elevator if the grain is shipped to Duluth, but if it is Fort William or the Pacific coast, all the owner can say is whether it shall go east of west.

An hon. MEMBER: That is all.

Mr. MEIGHEN: The next thing that requires explanation is the explanation itself, for it is utter nonsense. It reads:

The first change is made to what was the ninth line of subsection 2, where the words "if either party" in the old section are changed to read "if he."

I defy the minister to go through the whole of subclause 2 and find "if he" in it.

Mr. LOW: The committee did not change the explanatory note. They should have changed the note when they changed the clause.

Mr. MEIGHEN: The note explains something that is not here now at all?

Mr. LOW: Yes.

Mr. SALES: I do not believe all hon. members understand this question yet.

Mr. MEIGHEN: I have a good idea of it now.

Mr. SALES: The whole crux of the question is this. Has the farmer the right to say to what elevator his grain shall go? He takes

it to a country elevator and receives a ticket for the weight. They agree on the grade. At Fort William and Port Arthur there are a number of elevators, all licensed under this board, with official graders at Winnipeg and official weighers at every one of those elevators. Here is one elevator belonging to the United Grain Growers, another belonging to the Saskatchewan Co-operative Elevator Company and so on. All these have official weighmasters. The farmer says: I want my grain to go to this elevator—an elevator operated by the pools. The pools and the members of the pools, who have joined together to try to market their grain co-operatively, want to operate their own terminal elevators and to direct their grain to this terminal elevator. As the Minister of Agriculture (Mr. Motherwell) says, the mixing gentlemen were in the saddle on the day when this clause was altered, and it was made to read the way it is now. Why should this country elevator which gives me a receipt for so many bushels on such a date be relieved from guaranteeing that weight when it is going to an elevator at which we have a government weighmaster?

Mr. MALCOLM: On the other hand, why should the farmer object to the elevator at the country point shipping to any one of those elevators if they are all equal?

Mr. FORKE: They are not all equal.

Mr. MALCOLM: Then the hon. gentleman's contention is wrong, because he said that they were all equal.

Mr. SALES: No; I said that they are equal in this respect, that they have a government weighmaster.

Mr. MALCOLM: What would be the ulterior motive of a farmer objecting to shipment to a government elevator?

Mr. SALES: Because these men owning fifty per cent of the wheat in western Canada have joined themselves together in order to evolve a new method of marketing grain, called the "pool" method. They have rented their own elevators and they want to market their own grain so far as they can. This gives them the right to say where their grain shall go. We do not ask that if a farmer sends his grain to Timbuctoo, as the hon. member for Marquette said, the elevator shall guarantee grade or weight. But when the grain goes to a place at which a government weighmaster is in charge of the situation, and the grain is graded as going through Winnipeg, I do not see why it should not be accepted.

Mr. HOEY: Supposing the country elevator gives the farmer an affidavit as to grade and weight, what risk would the farmer be running if he shipped it then to any particular terminal that he wanted to ship it to?

Mr. SALES: I would be satisfied if he would give me something that I could collect on. I do not think I can collect on an affidavit. I do not think it would be worth the paper it would be written on.

Mr. HOEY: What loss is likely to occur?

Mr. SALES: The loss is this. That grain goes into a bin with somebody else's grain. I have received from this man a certificate for No. 2, and he may put this into No. 3 or No. 4. But he is the man who loads it out, not I. He loads it out and he asks to be relieved of the grade.

Mr. HOEY: Cannot he put it in a special bin?

Mr. SALES: Yes, but I do not know what he puts out. I cannot put my grain into a bin and live there day and night in order to be sure that he loads my grain out of my bin. But in this grade and storage business he does not pretend to special bin it. He puts it with the other grain and he guarantees me my wheat on the ticket. I say: Why should he be relieved from that?

Mr. HOEY: I do not think a man would last three weeks if he did that.

Mr. McMASTER: The longer this debate continues, the more apparent it is to everybody that this is not the proper forum for a discussion of a technical matter of this sort. It should be discussed by a small committee which should try to bring in a report.

Mr. LOW: It has been discussed by the committee on Agriculture.

Mr. McMASTER: I am quite aware of that fact, but my protest now is that the result has not been sufficiently clear or unanimous to give some guide to this committee. We are having to-day a discussion which would be proper before a standing committee of the House but which certainly is out of place in this chamber. Is it right and reasonable that men who have no technical knowledge of these matters shoull be asked to spend their time at this stage of the session listening to a lengthy technical debate? It is not right, and it seems to me that the more paternalistic legislation we put on the statute books the more we shall be impelled or asked to enact.

Mr. CANNON: Does the hon. member contend that when a report of a committee is not unanimous the House should return it to the committee for further consideration?

Mr. McMASTER: Not at all; but I think the hon. member will agree that this is not the proper forum for the discussion of a technical matter of this kind.

Mr. MEIGHEN: It is not technical.

Mr. CANNON: We had experts before the committee.

Mr. MEIGHEN: The matter is of very great consequence, but it is not really technical although some of the terms used may be slightly so. I could get to the heart of it if I could question the hon. member for Saltcoats (Mr. Sales). There is one point I am not clear on in his argument. When the country elevator gives a man a certificate, a sample of the grain is taken out and preserved and the owner has control of it. It is not on that sample that the ultimate determination of the grade depends?

Mr. LOW: If there is a disagreement.

Mr. MEIGHEN: If they do not give as good grain as the sample, has not the farmer the protection of that sample?

Mr. CRERAR: Surely.

Mr. SALES: If the man says he wants the grain to go to the terminal elevator at Fort William the country elevator is relieved of further liability for the grades and weights. That is the point.

Mr. MEIGHEN: That is not my point. We hear a lot of talk about the farmer having no control over the turning of the chute, and so on. Does it matter one whit whether he has or not, so long as he has the sample? He can compare the sample with anything that is taken out and if that shipment is not as good as the sample the sample governs, because that is his protection. If that is the case, how can he be beaten on his grades by any connivance or dishonesty on the part of the elevator man? And if that is correct, you can say to the elevator man, "We hold you to this grade and this weight." As I understand the argument, it is this, that if the man has no control of the destiny of the grain he cannot be heard by the inspector at all; the inspector can tell him to get out the door. The argument of the hon. member for Saltcoats would be sound if the elevator man, once he gave the weight and the grade, were relieved of all responsibility. In that case the owner would have no right to interfere any more. But if the elevator man is held to the weight and grade then the owner must have the right, just the same as any litigant, to pursue the matter further and press his guarantee. If that is not done you are only putting on the man an injustice which you cannot defend, with the practical result that you make all country elevators mere feeders for the pool.

Mr. LOW: A farmer delivers a load of grain to the elevator. A sample is drawn from that load and placed under lock and key. When the farmer concludes delivery of his grain the elevator states that it is of a certain grade. If the farmer is not satisfied with that ruling then the sample that has been drawn from each load may be sent to the chief inspector at Winnipeg who finally determines the grade.

Mr. MEIGHEN: I know that; I have shipped thousands of bushels.

Mr. BROWN: The leader of the opposition (Mr. Meighen) calls attention to what is really the weak point in the bill. I felt when this matter was going through the committee that the amendment introduced in the committee to the original bill was a clumsy attempt to meet a situation which was very unsatisfactory to those operating elevators. It was a clumsy attempt that failed of its purpose. Why, for instance, should we relieve the country elevator from liability for grades and weights "except in so far as the 'subject to grade and dockage' certificate otherwise provides"? In that provision we simply declare that they shall be relieved and that they shall not be relieved, and we cannot under the law relieve them. I think it is a mistake to waste the time of the committee discussing the question of relieving the elevator operator from grades, because throughout the whole act the grade is distinctly guaranteed to the owner of the grain. It is guaranteed him in the special bins because he is permitted to take a sample. That sample is set aside for the farmer if he wishes to avail himself of his privilege; and we cannot protect the farmers who do not want to be protected. The farmers are absolutely protected in regard to special bin grain, so far as grade is concerned. We must consider grade and weight separately; they cannot be taken together. And, as I say, the farmer is absolutely protected as regards the grade in the special bins. So far as grain in storage subject to inspector's grading is concerned, he is also protected when he puts grain into the elevator; and if he avails himself of his privilege he has the same

protection when he stores his grain in the elevator as the man who special bins his grain. As it is at present, and as the law has been operating, he has that guarantee; and that will hold under this clause "except in so far as the subject to grade and dockage ticket otherwise provides". That proviso simply wipes out anything that has been achieved in the few preceding sentences which provide that the elevator operator shall be relieved of grades, because you cannot give him that relief under any curcumstances in view of this additional clause. I say therefore that the introduction of this provision into the section was a clumsy attempt to meet a situation that was not acceptable to the elevator operators, and it has only tended to confuse the whole issue.

Mr. McTAGGART: When the farmer accepts the storage ticket does not that close the transaction so far as the grading is concerned?

Mr. BROWN: Subject to the "grade and dockage" ticket.

Mr. McTAGGART: When the farmer takes out the graded storage ticket that closes the transaction in regard to dockage on that grade.

Mr. BROWN: It would in that case, but I fancy that under these circumstances he would avail himself of the right he has to appeal to the inspector, and in that case he would have just as much protection as if he were special binning. The question of weight is an entirely different matter. When a man special bins grain the operator guarantees his weight on the ticket. The law does not require that the farmer shall get everything that has been put into the bin, neither more nor less. That would be fair on the face of it, but it would not be practicable; and so the law guarantees that the holder of the ticket shall receive exactly the weight described thereon. Therefore, in regard to the grain that is stored he is given certain tickets with certain weights and the elevator is bound to give him the quantity of grain so indicated.

Now the point comes up, and after all this is what is objected to, shall the owner of the grain be permitted to send it to any elevator that he designates. On the face of it that is an absolutely fair proposition, and one that I think the owner has a right to make. But along with that he must accept certain responsibilities. I do not see how it is possible to relieve the elevator operator from the obligation of furnishing the grade and the weight of the grain that he takes in. It is an obligation that seems to me to be fundamental but at the same time I can see that the exercise of that right is going to create many complications that I am quite satisfied a great many who are urging it now do not foresee. The situation is simply this, that those running country elevators want to send their grain to the terminal that they are directly connected with. That is only natural. If that were urged openly we would get a clearer view of the situation, for after all the fact of the matter is that the objection to this clause is because those operating country elevators do not want the grain turned away from the terminals with which they are connected. That is the crux of the whole matter, and I think if it were definitely stated it would clarify the situation. We can readily understand them taking that position. They have decided on a certain line of doing business, and on the face of it it is fair. We are up against that situation. Shall we grant that right or not? I am prepared to accept the position taken by those advocating the pool interests, that the individual farmer should have the right to designate the point, if he chooses to exercise that right. But if farmers generally avail themselves of it I see what it is going to mean: the country elevator will not be able to operate on the profit of a cent and three-quarters, for that will not run an elevator, and it will possibly mean that the men running country elevators will have to increase their charges to the maximum of two and a half cents that is now permitted. If the exercise of this right is general, it is going to mean for a time very great confusion in the handling of grain, and I think that perhaps this particular point is not foreseen by many advocating the change.

Mr. ROBB: May it not also mean that the country elevator man will shut down his elevator and the community will have no elevator service?

Mr. BROWN: It may possibly mean that. I admit it, Mr. Chairman, because I have had the privilege of being able to look at this matter from both sides. I am a farmer and have raised and shipped grain, and I know the farmer's side of the question. But, unfortunately for myself, I was charged as a director with the responsibility of running a farmers' elevator, and to my cost I know something about that particular side of the question; I do know that grain cannot be handled in a country elevator for a cent and three quarters a bushel, unless you have about two hundred thousand bushels of a turnover.

Mr. SALES: Why do they do it?

Mr. BROWN: As a matter of fact they do not do it; under the present system they have other methods of making up the loss which they incur.

Mr. LEADER: Do you not think that they can perhaps recoup themselves for the loss sustained by the profits derived from their mixing elevator?

Mr. BROWN: We need not introduce the question of mixing in this discussion. While I accept the pooling system and am willing to commit myself to all that is involved in it, I am taking occasion at this time to warn some people that in making this rearrangement they are going possibly to involve some communities in difficulties that perhaps they do not now foresee.

Mr. MALCOLM: Mr. Chairman, I am neither a grower of grain nor the owner of an elevator. I have listened to all the arguments advanced, and I thank the hon. member for Lisgar (Mr. Brown) for clarifying the situation by putting the cards face up. There are certain interests in the west operating country elevators and terminal elevators. Operated together, these elevators yield a certain profit and make it possible for grain to be handled at country elevators at a low rate. But a steamship company which takes merchandise and delivers a receipt for it, at a certain point maintains the right to deliver that merchandise at its wharf. That is simply the right of any transportation company. If I as a shipper hand merchandise to a steamship company, what right have I to ask that it be delivered at some other wharf over which the company has no control? That is the way I view this question as a business man.

Mr. GOULD: Mr. Chairman, the owner of the merchandise has the right to designate to what port it shall go.

Mr. MALCOLM: But not to which wharf at that port. The elevator company has a terminal elevator and subsidiaries feeding that terminal and working jointly with it, just like the head office of a bank works with its branches, and in this way the bank is able to give certain services at lower rates than if operating as a country bank without any connection. Now, the shippers of grain maintain that all these terminal elevators are government-inspected and well run and give equal service. I have never heard that denied. But the pool members are interested in the development of a certain elevator at the terminal point to the detriment of the elevator that has country connections, and if this section were passed as amended, there is only one ultimate conclusion to be reached, and that is that the elevators favoured by the hundred thousand pool members would grow and the other elevators would gradually be put out of business, unless, as the hon. member for Lisgar has said, they charged higher rates at their country elevators to enable them to live. I am viewing this thing as a business man. I have listened disinterestedly to all the arguments put forward in the committe on Agriculture. I hold no brief either for the shipper or for the elevator man, but there have been established in the west certain lines of elevators which have built up that country by the handling of its grain and have an inherent right to be protected in their business so long as it is properly handled by them, and if they are not granted this protection those who have built the elevators and developed the business are going to be put out of commission and their property will be purchasable at 25 cents on the dollar.

Mr. BROWN: Mr. Chairman, I forgot to mention one point. The contention of the hon member for Marquette (Mr. Crerar) that the elevator should have the right of keeping control over the inspection of the weight on the outturns did not seem to me to be lessened by the amendment that has been introduced. I do not see why he could not retain this oversight to protect his interests under any circumstances, if he thinks they are likely to be in danger. I do not think he can help the matter of grade, anyway—of course, he could secure reinspection; but I do not think he could protect his right any better under the present system than under the new one proposed.

Mr. COOTE: Mr. Chairman, I think the hon. member for North Bruce (Mr. Malcolm) is labouring under a misapprehension. The elevators that were established in western Canada and that he is so solicitous about were established under a law which allowed the shipper to choose the terminal elevator that he would ship his grain to. I asked the minister early in the debate on this section whether the old law did not allow that right to the shipper. We have always understood that we had that privilege. If that is so, the elevators in the west were built under that law and their owners knew what they were doing. Now, the question to be decided on this section is whether the members of this committee want to assist the wheat growers of the west in the co-operative wheat selling movement which they have started. We have heard lots of compliments and lots of good wishes for the success of the movement, but if you say to the pool man, "You cannot have your wheat

shipped to a terminal controlled by the pool unless you are willing to relieve the country elevators of their responsibility for the amount of grain which they put in the car—"

Mr. CRERAR: And the grade.

Mr. COOTE: I am going to leave out the question of grade, because I think the member for Lisgar (Mr. Brown) said it should not really be brought into this discussion. Let us stick to the weight. At each of the terminals to which the country elevators can be asked to bill the wheat we have Canadian government inspectors. What are they there for if not to give correct weights? Why does the country elevator want to bill to certain terminals in preference to others? Simply because they own or control the major part of the investment in certain terminals, or they have a private terminal where they carry on mixing and they want the wheat to go there You see the position they are putting the pool men in. If they are at a point where the pool has no elevator, under this section as drafted they can not bill their grain to the pool's own terminal unless they say to the country elevator: We relieve you of all liability with regard to the amount of wheat in this car as long as you furnish us with an affidavit. So far as protection to the shipper goes, the affidavit is not worth the paper it is written on. The hon. member for Brome (Mr. McMaster) said something about not being able to protect those farmers who would not protect themselves, and that is quite true. But what we are trying to do here is to protect the farmers who are trying to protect themselves. We are simply asking that those men who have formed themselves into a co-operative pool should have the privilege of saying: I want my wheat to be shipped to the pool's terminal; then if the pool want to keep the grades up to a high standard and not deteriorate it through mixing, they can so do that under this section. That is, they can take the pool members' own wheat, keep it in the pool terminals, and deliver it from the pool terminals to the Ontario millers. Now, the secretary of the Ontario Millers' Association tells me that under this law when they buy grain even from a public terminal they do not know whether that grain has been put in a public terminal from a private terminal, and they are at a disadvantage as compared with the big mills in the west.

Mr. CRERAR: Who is the secretary?

Mr. COOTE: Mr. Watts. If the pool members in the country were allowed to bill their wheat to a pool terminal the pool terminal could preserve the identity of the country grades, sell the wheat to the Ontario millers and give them the same average grade as the pool farmer in the country is getting. But if you will not accept this amendment; if you persist in passing this section as it stands, you take away that protection from the pool members. I would like to ask again, in whose interest is this act being passed? If it is in the interest of the grain elevator men or of the grain trade, we had better throw the act into the discard.

Mr. McMASTER: Do these country elevators belong to the pool?

Mr. COOTE: No.

Mr. McMASTER: Is it the hon. member's idea that legislation should be passed to say to this elevator company: You have got to receive my grain and you must send it to the elevator which I designate, even if you do not want to?

Mr. COOTE: May I again point out to the hon. member that we pay the government weighmen to weigh this grain and see that the country elevator man gets the correct weight, but the farmer when he goes to the country elevator has no such protection. The grain in the country elevator is weighed by the employee of the elevator company.

Mr. MALCOLM: How many farmers in the west have no scales?

Mr. COOTE: Ninety-nine per cent of them.

Mr. MALCOLM: They are very cheap to buy, and it would help the scale manufacturers too.

Mr. BROWN: It is not practicable.

Mr. COOTE: We are not asking for anything that is not in the old act; we are simply asking that you leave the act alone so far as this practice is concerned. If the committee refuses to leave it alone, then I would like to know in whose interest this act is being put through this House.

Mr. MOTHERWELL: I think the hon. member for Macleod (Mr. Coote) has put his finger on the crux of this situation. For the last twenty-five years, ever since there was a grain act, the farmers have enjoyed the right to ship their grain to any commission house and any terminal elevator they like. Now, after these twenty-five years you are going to take that away from them. Why? That is the point.

Some hon. MEMBERS: Why?

Mr. MOTHERWELL: That is what I want to know. I told the committee at the outset that I did not understand this drafting. There

is a nigger in the woodpile somewhere. Something is being taken away from the farmer that he has enjoyed for a quarter of a century. I do not know why, and it is up to somebody to say why.

Mr. CRERAR: I do not think the Minister of Agriculture (Mr. Motherwell) is quite fair in the statement he makes.

Some hon. MEMBERS: Oh, oh.

Mr. CRERAR: My hon. friends behind me laugh. I have never been able to understand, so far as the guidance of my own course is concerned, how it can be held that any real object can be accomplished by perpetrating what is an injustice. What the Minister of Agriculture says might be true, but in the actual working out, in ninety-eight per cent of the cases the elevator companies handling this grain in the country had the opportunity of sending it to the terminal elevator they chose.

Mr. MOTHERWELL: Does the hon. member not admit that the farmers have enjoyed the right of selecting their own commission house and their own terminals? And it was an advantage to my hon. friend's company at one time to do that.

Mr. CRERAR: They have never been denied the right to select their own commission house. But I revert to the point made by the hon. member (Mr. Coote); because while I may differ from him, I am sure he wants to be fair. He says that the matter of grading is of no consequence. I do not agree with him.

Mr. COOTE: I did not say that the matter of grading was of no consequence. I was referring to the question of weight.

Mr. CRERAR: But when my hon. friend evades the matter of grade he is evading a very important point.

Mr. EVANS: He wants to know he gets the weight.

Mr. CRERAR: Yes, but I am speaking of the matter of grade. I will put it to my hon. friends in this way: I am operating an elevator. The hon. member for Macleod brings in to me a thousand bushels of wheat and it is graded as No. 2 northern with a four per cent dockage. I issue to the hon. member tickets from that elevator giving him the right to a thousand bushels of No. 2 northern wheat with a four per cent dockage. He proposes to put that grain on the track and say to me: You have no further interest in this grain. I submit that I have an interest in it so far as the grade is concerned, because when the hon. member ships that grain to a terminal point I have to deliver at that terminal point a thousand bushels of No. 2 northern wheat with a four per cent dockage. The grain law expressly places that obligation upon me.

Mr. HUGHES: What is the penalty if you do not deliver?

Mr. CRERAR: Why, I have to deliver it. I could be sued; he could make his appeal to the Chairman of the Board of Grain Commissioners and the Chairman of the Board of Grain Commissioners could issue instructions to me to pay him, and I would have to pay. The point is that I have the responsibility as to the grade of that grain and I should have the opportunity of checking the grade and following it through and protecting my interests. The same applies so far as the weight is concerned at the terminal elevator to which it may go. The hon. member for Lisgar (Mr. Brown) mentioned another aspect of this question which is undoubtedly a vital part of it. After all, only fifty or sixty per cent of the farmers of western Canada to-day are in the pools, and any law that you pass for the pools applies to every individual farmer who is outside the pools.

Mr. COOTE: Are we asking for any change in this law? And does it not apply to those who are not pool members who may wish to bill their grain to a certain terminal? Would not my hon. friend have the same opportunity of protecting the grade regardless of the terminal the grain went to?

Mr. CRERAR: Not at all. The grain passes out of my control when I deliver it at the country shipping point. I put it on the track, and my hon. friend comes along and says, Here is 1¾ cents a bushel for handling the grain, and he gets his grain and then goes to the agent and bills it to Timbuctoo or Hong Kong for all I know; I do not know where he is sending it. All I know is that three or four weeks later I may get a letter from my hon. friend from Macleod saying, "The grain you delivered to me in that car only graded No. 3 northern, and I want you to make up the difference in price between No. 2 and No. 3 northern," and I have to make it up.

Mr. COOTE: Is it not the practice for the farmer to instruct the elevator operator to bill his car to a certain place?

Mr. CRERAR: Yes, he may instruct me to bill that grain to the order of the pool at such a point, but that does not give me any interest in it.

Mr. COOTE: You have the opportunity of going to the Inspection department and seeing you get the proper grade.

Mr. CRERAR: Am I going to go to the trouble of searching all the records and finding out where a particular car is? I would need a whole checking staff to do that.

Mr. GARLAND (Bow River): You keep a checking staff, on your own statement yesterday.

Mr. CRERAR: I think I can satisfy my hon. friend's intelligence, which is a pretty acute one, as to just what happens. We are advised when all those cars are inspected. Every morning a list is put in our hands, and consequently we know the cars inspected and can check the grade. But in this other case, we would have to search the railway records and find out where the cars were.

Mr. SPENCER: Does not the farmer only ask the right to ship his grain to the point where there is a government inspector?

Mr. CRERAR: Yes, but government inspectors are not infallible. If they were, the pools and the farmers' companies would not be maintaining their own inspection staffs to check the grades of the cars as they pass Winnipeg and Calgary, which they do to-day Every company has found it necessary to do that. A government inspection staff inspecting 2,500 or 3,000 cars a day are liable to make mistakes. We want to have those mistakes corrected if they occur.

My hon. friend from Lisgar (Mr. Brown) threw out an important point. Country elevator operation and terminal elevator operation are to-day linked, and if you deprive the country elevator operation of a part of the revenue that it gets from the terminal, putting it on that basis alone, one result will be that the charge of handling grain through the country elevators will have to advance because they could not otherwise possibly live. That means an injustice to all the farmers outside the pool.

Mr. COOTE: Has the board not given country elevators the right to raise their charge? If it costs them more than 1¾ cents to handle this grain, should they not put the charge where it would cover the cost of handling.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. GOULD: My remarks will be very brief, because we want to get along with the business. I thought perhaps by presenting this matter from a slightly different angle from the way it has been presented it might make it a little more clear. I wanted to point out to the committee that the reason why we asked for this amendment, or the justification for asking to retain the right to send our grain to whatever terminal we wish, can be based upon this assumption; the elevator companies are licensed under the act and for a certain tariff they agree to handle grain. On special bin grain up to the present time they have charged 1¾ cents a bushel for handling, but the act provides they may charge 2½ cents. Up to the present time the majority of the elevator companies have not accepted that opportunity afforded them in the act, and have not charged the high rate, simply because they wished to send it down to their own elevators at the head of the lakes, manipulate the grain and thereby exact an undue toll. Now the individual who owns the grain, say a thousand bushels, value one thousand dollars, has $1,000 investment in it. The elevator operator at the initial point has 1¾ cents per bushel or 2½ cents—$17.50 or $25.

Mr. McMASTER: Has he not got the investment in the elevator?

Mr. GOULD: No, he is paying for the elevator on the basis of 1¾ or 2½ cents a bushel. He agrees to do certain things, and these tolls pay for his investment. He has an investment of $17.50 or $25 in a car of grain, and does anybody argue that his equity in that is as much as the investment of the man who owns it? Should not the man who has $1,000 invested have the right to determine absolutely where he shall send that grain? There is the comparison. The hon. member for Marquette has suggested that the individual who has the $25 investment in a carload of grain should have the right absolutely to send that grain down to his own terminal. I argue that these men charge a tariff and a rate for the services they perform that will make the business venture proper and right. Why not? They are afforded that privilege under the act. But they do not avail themselves of it, because they wish to send that grain down to their own terminals where it is manipulated and an undue profit made. I would refer the hon. member for Brome (Mr. McMaster) to report 23, presented to this House by the committee of

which he was chairman. It is the information contained in that report, that is the cause of our objections, and the explanation of our desire for this amendment. It is not desirable that any condition should again arise in Canada, whereby a report similar to report No. 23 should be presented to the House. That is what has raised the storm. The hon. member for Brome recognizes that and is aware of it. We have cause to protest against it.

Mr. CRERAR: My hon. friend stated that the grain is sent down to their own elevator and manipulated. Will he explain how it is manipulated?

Mr. GOULD: Yes, in the mixing.

Mr. CRERAR: My hon. friend must bear in mind that the grain goes to the public terminal elevator.

Mr. GOULD: Some of it.

Mr. CRERAR: All of it, except with the consent of the owner.

Mr. GOULD: Fifty per cent of the wheat handled in Canada is bought on the street. Private companies have fifty per cent of it, and if you have three hundred million bushels of wheat, private companies have half of it. That was established by the Turgeon report. And the companies paid the highest price that is paid. Consequently this one hundred and fifty million bushels of wheat is what we are debating.

Mr. CRERAR: You are wrong.

Mr. GOULD: No.

Mr. CRERAR: Fifty per cent goes to the pool, and a large portion of that is bought for the pools on the street at spreads between grades which are fixed by the pools.

Mr. GOULD: At the time the Turgeon report was made the pools were not in the position they are in to-day. We all know there are many individuals who purchase the wheat; but in no case is street wheat put up, whatever proportion it is, and it is included in this amendment asked for.

Mr. BROWN: How does street wheat come into the controversy at all?

Mr. GOULD: I am trying to segregate that. These people have the street wheat all in their own hands and can send it where they like, and surely the owners of the balance of the grain should have the right, when they have huge investment and the elevators have a small investment, to determine through what channel the wheat should be taken.

Mr. McMASTER: Suppose there was no grain act at all; suppose this dealing with the shippers of grain was done on a purely contract basis. I, let us say, am the owner of an elevator, and my hon. friend from Assiniboia (Mr. Gould) comes forward with a load of wheat which he wants me to take charge of—to look after the transportation for him. I make a contract with him. I say to him, "If you will consign this wheat to me I will charge you so much and I will send it down to my associates at the head of the lakes." If he wishes to accept that proposition he can do so, and I will take the wheat and send it down to the head of the lakes. But, as I understand it, under the license system which now obtains under the Grain Act, the elevator man is not free to refuse the grain. He has got to take it. If he has got to take it, surely there must be some fair arrangement whereby the wheat will be transhipped by the elevator people to take it on terms which are as just to the elevator man as to the grower of the wheat. The elevator man has his investment in the elevator, and as long as it belongs to him surely he has something to say as to how it should operate—

Mr. GOULD: No one disputes that.

Mr. McMASTER: —just as the farmer has the right to say how he wishes his grain to be transhipped. It does not seem right that you should say to a man who owns a piece of private property, "You have got to take my property, you have got to charge a certain amount on it, and you have got to send it just as I wish you to." Surely there must be some room for the preservation of the rights of the elevator owner as well as the rights of the farmer.

Mr. HUGHES: Has the grain commission the power to fix the price the elevator man shall charge?

Mr. GOULD: It is established by law.

Mr. McMASTER: I think probably it has.

Mr. HUGHES: Would he get a price under those conditions that would pay him for his services?

Mr. WOODSWORTH: I ask my hon. friend from Brome how about the case of the railway company, the steamship company, or any other common carrier? Would they have the right to say to what destination goods consigned to them had to be sent? Is their task not simply to transmit the goods?

Mr. McMASTER: Yes, to transmit the goods down to a station on their own lines?

Mr. SHAW: May I ask my hon. friend from Brome a question?

The CHAIRMAN: The hon. member for Assiniboia has the floor.

Mr. GOULD: Will the hon. member for Brome visualize this feature: The elevator company at the initial point have built their elevator with the object of handling and transferring a commodity which is offered them, and a tariff is laid down in the act to pay them completely for those services. They are absolutely and entirely paid for the services they perform by the tariff the farmer agrees to pay. What right have they in the commodity? What ownership have they in the property, if they have been paid all the charges for the services they have performed?

Mr. McMASTER: If they have put their money into the enterprise and taken the risk of it being destroyed by the fire, they have the rights that are inherent in private property. There are no people in the world who are more likely in the long run to suffer than farmers of the country by interference with the rights of private property.

Mr. GOULD: The insurance and all other risks are covered by the agreement. When a man comes to work on my farm am I obliged to hand over everything to him? I pay him for the services he performs and he has no right to walk off with my team and wagon. He is paid completely for his services and he is through when he receives his fees—and the elevator in this case has received its fees. I want to say again that if the tariff has not been large enough to make this venture profitable for the elevator companies, they have not taken advantage of the full amount the tariff permits them to charge, and they can yet take full advantage of it. We are prepared to pay that price. This is not a threat, but I honestly believe if this amendment is not allowed to go through, the country elevators throughout the whole of western Canada will suffer loss amounting to scores of thousands of dollars. The people will go to the loading platform; they will load their grain on the tracks, and they will send their grain away. The elevators are not going to have an opportunity of handling that grain except as the owners of the grain require.

Mr. SHAW: Will the hon. gentleman tell us whether there is any justification for allowing discrimination as against the producer of wheat, the one who seeks to send his grain through a private elevator to a terminal elevator or the one who seeks to consign it through the private elevator to the pool? Is there any justification for the discrimination which used to exist under this clause?

Mr. GOULD: In the past the owner of the grain had the right to ship it where he wanted.

Mr. SHAW: Without discrimination.

Mr. GOULD: Yes. There is discrimination at the present time. It is not asked for by the producers of grain. They are prepared to accept what was granted to them in the past in this respect. We have the big interests here trying to persuade the committee—at least that is the effect by the insertion of this clause as it stands—to give them a privilege which is not their right. They have a $17.50 investment in a $1,000 policy and they want to dictate the policy because they have that investment.

Mr. HUGHES: What injustice would be done to the country elevators by allowing the farmer to route the grain wherever he chooses?

Mr. GOULD: There would be no injustice done to the country elevator. The country elevator has received the tariff, the charge, which covers all expenses for performing that service.

Mr. HUGHES: If the grain was degraded and the man was obliged to furnish a different grade of grain or pay the difference, would that not be an injustice?

Mr. GOULD: That is the business of the inspector and the government, the Board of Grain Commissioners.

Mr. HUGHES: How can he be saved from that risk?

Mr. GOULD: I think the hon. member is involved in his question. He does not understand the initial elevator proposition. This is a grade, storage ticket or special bin ticket that we are referring to, not what is called street grain. Street grain is the absolute property of the individual who has purchased it. He can send it to a private elevator as he wishes. He can mix it. But we argue that, as regards the grade, storage ticket over which the inspector has jurisdiction and the weighmaster at the other end has jurisdiction, the man who owns that grain should have the right to determine where it goes. It is his big investment. That is all we ask for.

Mr. HUGHES: But does the country elevator man not take a risk?

Mr. CAMPBELL: I submit that the issue before us to-day is not whether or not the farmer shall have the right to say where he will have his grain consigned, because in the past the farmer could have his grain shipped wherever he liked. The grain companies, all these years, so long as there has been a Grain Act and so long as there has been grain in western Canada to be shipped, have accepted this condition and they have made no complaint about it. Why the necessity of all this clamour to-day? It is simply this, that within the last year a new factor has been introduced into the grain marketing business of western Canada, that is the grain pool. The grain interests were sufficiently influential in the committee on Agriculture to slip a joker into this legislation, a club with which they hoped to be able to smash these pools. That is the issue. If there were no pools, this issue would not have arisen at all. The hon. member for Marquette (Mr. Crerar) is president of a grain company. He has never complained of this in the past. He has used some strong language in this chamber to-day intimating that a very grievous injustice would be done to the elevator companies if this amendment were allowed to go through. Why did he not complain of that before? He has been a member of this House for eight years. In those eight years he has not, I will maintain, made one complaint nor suggested that there should be a change in the legislation. This reveals clearly the issue at stake, and that is the existence of the grain pools. That is the issue which we have to face to-day. The hon. member for North Bruce (Mr. Malcolm) made an observation this morning that, I think, is worthy of some attention. He stated that if we got this amendment, the farmers would boycott the local elevators and eventually force them to sell out at twenty-five cents on the dollar.

Mr. MALCOLM: I did not make that statement at all.

Mr. CAMPBELL: At least that was the way I understood it. The situation is precisely the opposite. If the clause goes through as it is incorporated in the bill to-day, it means that the farmer cannot use the elevator for the pool except under serious disabilities. Then he will be forced to boycott the elevator, and the elevator will be left high and dry without any business at all. It is a great deal better to leave the farmer the right to use the elevator for his pool, to ship the grain to his pool, and in that case the elevator system will be allowed to live and will be perpetuated. There will be a close, harmonious co-operation between the pool and the elevator. There need be no antagonism between them at all.

Mr. MALCOLM: On the line of my hon. friend's argument, supposing the farmers asked that the grain be shipped through the country elevator to the terminal at Fort William, and the terminal that belonged to the country elevator did not get enough business to operate, what is going to be the result to the terminal elevator?

Mr. CAMPBELL: I was just coming to that question. The point is this, whether or not there is a pool, we must have the country elevator and the terminals elevator. Just as soon as the wheat pool takes over most of the grain in a district, it will mean if the farmer wants the elevator and he is not allowed to use it, he will either build another elevator or buy out the one that is there. As long as the elevator companies are prepared to concede to the farmer the right to which he is entitled, to handle his grain through the pool, that elevator can exist. The issue of the tolls, has been raised to-day and it has been pointed out that the elevator companies cannot operate under the present tolls. That is their business. They have been ready in the past to accept the grain and to handle it for less than it cost them. Why? Because they were determined to induce the farmers to ship through the elevator rather than load it over the platform, and they were prepared to handle it at less than cost in order to induce the farmers to do that. The farmer has not complained of this except in so far as his interests were prejudiced because, when they got the grain, they were able to mix it and make more out of it somewhere else. This is like the freight rate issue. If the farmer has his grain handled through the elevator for less than the cost of handling, the elevator company must get something out of it in some other way. This is what the farmer has complained of in the past. If the elevators find they cannot operate under the present charges, the farmer will be the first one to suggest that they raise the charges. I believe the largest elevator company in western Canada, the Saskatchewan Co-operative Company, is charging a higher toll to-day. The farmers are not complaining. They appreciate the fact that this elevator company is prepared to put its country elevators on a paying basis and does not expect to make up the difference

at the terminal. The issue before us to-day is not whether or not a farmer can ship his grain through the elevator where he likes. The point is whether this pool is to continue to exist or not; and what was sufficient for the elevators in the past ought to be sufficient for them to-day. Where do our hon. friends from Ontario and from British Columbia stand to-day? I want to point out to those representing rural constituencies in Ontario and British Columbia that this is a live issue in which they should be vitally interested. The farmers of Ontario for years have been trying to build up a co-operative enterprise.

An hon. MEMBER: And Quebec.

Mr. CAMPBELL: Yes, and British Columbia. The wheat pool of western Canada is the greatest attempt that the farmers of any country in the world have ever made to build up a co-operative enterprise. So far it has been most successful, and the whole issue of co-operation is at stake to-day. If our hon. friends representing rural constituencies in Ontario, Quebec and British Columbia are prepared to oppose us on this vote and strike a blow at, or drive a nail in the coffin of, co-operation, they are digging a grave for their own efforts, for the efforts of their farmers in their own districts. They have to see this in the way we see it, because the whole issue of co-operation is at stake. This other little petty question, whether or not the farmer can ship his grain wherever he likes, is only an incident. The hon. member for Brome (Mr. McMaster) read some of us a lecture here three years ago when we tried to get a wheat board. He was opposed to paternalistic legislation. He believes in individualism rather than in the sort of thing we are looking for at the present time. If the hon. member is consistent he will assist us in this to-day. He opposed the wheat board—

Mr. McMASTER: I opposed a compulsory wheat board and I told you you would do better with the voluntary wheat pool. And you have done better.

Mr. CAMPBELL: Well, we took the hon. gentleman at his word and adopted his suggestion, and now we are trying to make a success of it. Is he going to turn us down?

Mr. CRERAR: No one talks more about even-handed justice than does the hon. member (Mr. Campbell), and no one understands less the principles of justice. He states that the whole existence of the pool depends upon this legislation.

Mr. CAMPBELL: I did not say that the whole existence of the pool depended upon it, but I did say that the matter was of vital importance.

Mr. CRERAR: I will not take back the statement I made. The hon. member said that the existence of the pools depended upon this legislation. Now, if that is so I have a simple question to ask my hon. friend: If the existence of the pools depends upon this legislation, why did not the pools ask it of the Turgeon grain inquiry? The hon. gentleman may search the evidence given before that inquiry from beginning to end—

Mr. GARLAND (Bow River): But they had the right under the old act.

Mr. CRERAR: No, they had not. Hon. gentleman may search the evidence given before the inquiry from cover to cover, they may read every particle of it, and they will fail to find anywhere any request from the pools, or anyone representing the pools, for this legislation. My hon. friend from Assiniboia (Mr. Gould) states that the farmer has $1,000 of an investment in the grain while the elevator company has only $17.50. That is not correct. If the shipper of grain will take the grain at the country point, well and good. But they do not do that. The law expressly provides that if the owner of the grain so wishes, the elevator operator must deliver that grain at the terminal point and give him not only the weight his ticket calls for but the grade that is on the ticket. But it is unfair to say that the elevator operator has no interest in the grain otherwise. It would perpetrate a rank injustice on any person handling grain through the elevators if any such suggestion as this were adopted. I have always opposed injustice, as I have had the light to see it, and I will continue to do so. I will not support the proposal simply because my hon. friend from Mackenzie or the hon. member for Assiniboia wishes to take a course which in my judgment is not right.

Mr. IRVINE: Is the hon. member perfectly sure that the farmers had not the privilege before of shipping the grain in this way?

Mr. CRERAR: As a matter of fact, I think there was a doubt under the old act as to whether the farmer had the right or not.

Mr. GOOD: What was the practice?

Mr. CRERAR: The grain almost invariably went to the terminal elevator, chosen by the country elevator.

Mr. WARNER: Was any pool grain handled at that time?

Mr. CRERAR: No. Now, some reference was made to street grain. A very large percentage of the grain handled by all country elevators in the arrangement which is made with the pools, is street grain. The farmer may sell his grain that way if he wishes, but the pool manager establishes the spreads between the different grades at which the grain will be bought; and I, operating a country elevator, taking in grain for the pool, have to buy on these spreads. If the grain goes down and my buyer in the country makes an error in judgment and the grain grades less, I have to make good the grade to the pool. That being the case, I come back to the point that I have the right to a say in the destination of the grain and the inspection of it. As to the other question, of the desire of the pools to ship grain to their own terminal elevators, they are acquiring elevators in the prairie provinces at the present time, and they may send wherever they want to, any grain that goes through these elevators. They are entitled to that right in their own interests. Now, if you create a condition of affairs whereby you impose such handicaps upon the country elevator operator that he has to raise his charges in the handling of the grain through the elevators, who will suffer? It is true that the members of the pool may not suffer, but what about the fifty per cent of the farmers, who are outside the pools who may not wish to enter it? You put an injustice on them inasmuch as you increase the cost of handling the commodity. I cannot see the reason or the justice of the amendment proposed and I shall oppose it.

Mr. McTAGGART: The point raised by the hon. member for Mackenzie (Mr. Campbell) is fully covered in subsection (3), which provides:

> Nothing herein shall prevent the owner of such grain from, at any time before it is shipped to terminals, requiring it to be shipped to any other terminal than as hereinbefore provided.

In other words, notwithstanding anything in this section, the shipper of grain may, at any time before the grain is shipped from the elevator, direct the terminal to which it shall go. I should like to have the minister's opinion on that point, because if it is as I suggest it fully covers what my hon. friend has in mind. The hon. member (Mr. Campbell) suggests, if I understand him correctly, that pool wheat taken in at the country elevator other than a pool elevator cannot be consigned to the pool terminal. This would seem to be covered by subsection (3).

Mr. CAMPBELL: What I have pointed out is that the working out of the act as it stands would give the elevators a club to hold over the head of the farmer and force him to ship through the terminal or to use some other means of shipping the grain.

Mr. McMASTER: If this discussion is valuable we should all have the right to hear it.

Mr. McTAGGART: I should like the minister to answer the question I have asked him.

Mr. LOW: I am instructed by the chairman of the board, who is a lawyer by profession, that the clause is very general. It has been said by a number of gentlemen on the other side that under the old act certain rights were provided which are now being taken away; but the intention of the bill is to clear up a situation that was indefinite under the legislation we have had. Under the old act the farmer could not direct, for example, that his grain should go to Vancouver. Subsection 2 of section 159 of the old act covers the point. It provides that:

> —the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if either party so desires, in quantities not less than carload lots,—

And so on. The trouble was that the farmer might wish to go to a certain terminal elevator, and the country elevator owner might wish to go to another, and it was to clear up this difficulty that the amendment was introduced. Under the old conditions before the wheat pool the farmers had not the same interest in the terminal elevator as they have to-day. But the crux of the situation is this, that, as has been stated to-day, the country elevators receive a revenue of $1\frac{3}{4}$ cents a bushel, and therefore their responsibility should be taken over by the farmers if they wish to ship their wheat to any particular terminal elevator.

Mr. CAMPBELL: Is it not a fact that in the past the working out of the act has been such that it did not prevent the farmer from having his grain sent wherever he wished? I am not arguing the legal point, but that is how it has worked out. That, I may say, is the reason why the pools did not raise the question.

Mr. LOW: It is in order to clear up that doubtful point that this section is so drafted in the new act.

Mr. CAMPBELL: The minister will admit that they have cleared it up to the disadvantage of the farmer.

Mr. LOW: I hardly think so. It has been argued that the certificate issued by the country elevator might be a hundred bushels short, but I do not think any country elevator would get away with that type of business for any length of time.

Mr. CAMPBELL: If this is put purely on a moral basis, why have the Grain Act at all? Why not put the whole handling of grain on the same basis if you can trust the honesty of the elevator operator in this case?

Mr. LOW: We have to have a certain amount of trust in one another in this world. If the country elevators are to be held responsible for the grain, they should have the right to determine the terminal elevator to which they deliver it. But, if the farmer wishes to assume full responsibility, he has the right to ship his car to any elevator he may designate.

Miss MACPHAIL: Mr. Chairman, this seems to be the first clash in this House between the co-operative method of handling grain and the competitive. There are a great many of us in this part of the House who are not lawyers, and I share their view that the new clause will discriminate against the pool, and that that is the purpose of it.

Mr. CRERAR: No.

Miss MACPHAIL: Possibly not, but one may well wonder why it is inserted in the act, for it was not there before. The pools are a new factor in the marketing of wheat, and as a representative of farmers who are striving after co-operation as their only method of emancipating themeslves from economic oppression, I feel it my duty—and I want to say so in words as well as by vote—to support the western farmer in his effort to get himself out of the grasp of the grain and elevator companies.

Mr. MANION: Mr. Chairman, I have hesitated very much about taking part in the discussion because there seems to be a tendency among some of my hon. friends to rather take it for granted that everyone with a viewpoint on this question not absolutely in agreement with the majority has some ulterior motive to serve.

Some hon. MEMBERS: No.

Mr. MANION: I do not say that in any offensive spirit, but I rather drew the conclusion from the remarks of some hon. members. I assuredly have no motive to serve in this discussion because I am not interested in the grain business in any way. Of course, I am interested generally in the handling of grain at the head of the lakes, because it will come there whether from the pool or from the private elevators. There is a side to this question that has been touched upon by the member for North Bruce (Mr. Malcolm) the member for Brome (Mr. McMaster) and one or two others, but I wish to look at it from another aspect. Most of the country elevators were built by the people who own the private elevators at the head of the lakes as feeders for the latter.

Mr. COOTE: Is it not a fact that the biggest and probably the first terminals to be built at Port Arthur and Fort William were built by railway companies that did not own a single country elevator?

Mr. MANION: That is quite correct, but many of those elevators are in the hands of the railway companies no longer. The fact, however, remains, according to my understanding—and I think it is correct that most of these country elevators were built by companies owning elevators at the head of the lakes to take in the grain from the prairie provinces and pass it on to their terminal elevators. That being the case, they have some rights. It seems to me that if you force the country elevator to take in your wheat and then to send it to the terminal elevator of another company, you are doing very much as if you went to the Canadian Pacific, for example, and said, "Here, I want you to load this car for me, but I insist that you hand it over to the Canadian National Railways." There is that side to the question. In other words, if you force the country elevator out of its natural channel in that it was built as a feeder to its terminal elevator, you put it more or less out of business, and you force the owners to do something which they do not wish to do. It would seem to me that the cure for the situation would be that if those interested in the pools are not satisfied to use the country elevator as the elevator which is to ship their grain to its own terminal, then they should build their own country elevators. I say that with the best of intentions and without any desire to get into an argument with the conflicting interests here represented. It would appear to me that those who own the country elevators and the terminal elevators also have some rights as well as the grain growers of the west, and while the bill should be dealt with having the best interests of the grain growers in view, the whole question of private ownership of property should not be ignored.

Mr. EVANS: Does not the farmer pay the full price for the service he gets in the country elevator?

Mr. MANION: And the country elevator would probably be able to run in that way, but those who built the country elevator intended it as a feeder for their terminal elevator, and if it is not so used their terminal elevator will go out of business.

Mr. COOTE: Is it not a fact that the elevators at Fort William are practically filled almost to capacity almost every year?

Mr. MANION: I think probably that is true.

Mr. COOTE: And they will be used to that capacity regardless of what change we may make in this act.

Mr. MANION: That may be so. At the same time I cannot change my view that those who built the country elevators as feeders to their terminal elevators have just as good claims to be considered by the committee as have the grain growers. I say that with all due deference to my hon. friends.

Mr. SPENCE: The Minister of Trade and Commerce (Mr. Low) and the hon. member for Marquette (Mr. Crerar) both intimated that under the old act the farmer had not the right to send his grain to a terminal elevator that was not used in connection with the elevator into which he loads his grain.

Mr. LOW: I said that this was not clear in the act, and that as a result the destination was usually determined by the country elevator.

Mr. SPENCER: The minister's words are all the better for my argument. As a grain man I have consistently for many years sold my grain and sent it to the United Grain Growers' Company. At my point they have one house and that house is sometimes filled to the top; I have therefore been forced to load through other elevators. But I have had no difficulty in sending my grain, after it has been unloaded from those elevators, to the United Grain Growers' Company, and no objection has been raised by the elevator companies in question. If I have been able to do that in the past and it has been accepted by the various elevator companies, why should we change the act now? If we have been accustomed to giving certain directions in regard to our grain, why the alteration now?

Mr. HOEY: There seems to be some uncertainty whether the producer of grain under the old act had the right to ship to any particular terminal. How did this actually work out in practice? Was the experience of the hon. member (Mr. Spencer) a peculiar experience, or was it widespread or universal?

Mr. LOW: Until a year or two ago the farmer was not deeply interested in the terminal elevator; it is only since the pools have been formed that that question has come up. But as a matter of fact it was not quite clear whether the country elevator or the farmer had the right to designate the terminal elevator.

Mr. GOOD: What was the general practice?

Mr. LOW: The practice was that the country elevator designated the point ninety-five times out of a hundred.

Mr. SHAW: Is it not correct to say that unless this right is specifically taken away the farmers will have it? I asked whether the Grain Act did take it away.

Mr. MEIGHEN: The old act read as follows:

> Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the western inspection division, on the line of railway upon which the receiving country elevator is situate, or any line connecting therewith, so soon as the transportation company delivers the same at such terminal.

That is to say, the right was given to either party to ship out to such terminal point and to such elevators, in my opinion, at that terminal point, as either party first chose. So that the right under the old act was mutual and the party first exercising it insisted on his will being carried through. I would think—in fact, I know from my own experience—the practice was for the elevator man to ship out pretty nearly at once and the other fellow never got a chance to say what he wanted; the elevator man was naturally anxious to keep his elevator ready for more business. I would presume that in the case of the hon. member for Battle River (Mr. Spencer) he directed his grain to be shipped out to the Grain Growers' own terminal. That would meet with the approval of the Grain Growers' country elevator anyway.

Mr. SPENCER: This was a case where I had loaded into another elevator, a foreign elevator.

Mr. MEIGHEN: Then he must have done so before the Grain Growers' Company themselves had elected. They had the right to elect and choose the terminal. I do not mean to say they had the right to be ahead of him, but if they were ahead of him, then they could choose the terminal. That apparently is the way the old act stood.

Mr. WARNER: Is the old act not more nearly fair to both parties than the new?

Mr. MEIGHEN: I was going to make a short reference to that in a moment. I am very deeply grieved indeed, my heart is pained, to see the violent clash of opinion between hon. members to my left on this subject.

Mr. VIEN: My right hon. friend has said that under the old act the shipper had the right to choose the terminal elevator. Is it not more correct to say he had the right to choose the terminal, but not the terminal elevator?

Mr. MEIGHEN: No; it says here:

> Or, if either party so desires, in quantities not less than carload lots, on track at any terminal elevator in the western inspection division

So that if he chose first he would have the right to select not only the terminal but the elevator itself.

Mr. HUGHES: And does this bill as it stands take that right away from the farmer?

Mr. MEIGHEN: This bill gives him the absolute right to choose the terminal, which he did not have before. The elevator company before could have chosen both the terminal and the elevator if it made its election first; now the farmer has the absolute right to choose the terminal, but if he selects Duluth he has the right to choose the elevator too. He has not the right to choose the elevator at the terminal if he has selected either Vancouver or Fort William, unless he takes over the whole responsibility from the elevator company as to weight and grade.

Mr. HUGHES: That is the bill as it now stands?

Mr. MEIGHEN: Yes.

Mr. COOTE: In many cases when the farmer takes his first load to the elevator he agrees with the elevator operator as to where this car of grain shall be shipped and to whose order. The agreement is made before the car of wheat is really in the elevator.

Mr. MEIGHEN: I think there would be cases of that very kind, and there would probably be no dispute, for the reason that the pool had never risen. I think hon. gentlemen must have lamented many a time and oft that they did not accept the offer of a government voluntary wheat pool in 1921. We would never have had this squabble then. The difficulties could have been supervised without the least chance of error or injustice.

Mr. McTAGGART: We have not a voluntary pool.

Mr. MEIGHEN: No, the hon. gentleman unfortunately voted otherwise. That was the real solution. I have certainly no antipathy to the wheat pool. In fact, the whole wheat pool patent I look upon as a free gift; I have a parental solicitude in it; I hope it succeeds, but I really cannot get my mind past this one point. If I could see any way of acceding to the farmer's demand that he direct the destiny of his own grain absolutely, consistently with relieving the elevator company of any responsibility in respect of the identity between the inspector's certificate and his own certificate, I would gladly do it. It is the natural right of any owner of property to direct its course, but it is also the natural right of any custodian of property to be relieved of responsibility for it once it passes out of his custody. Now, what the farmer is really asking is this: "I want to hold all my natural rights intact, but I insist that the elevator company that gave a certificate that my wheat was No. 2 northern, two per cent dockage, and weighed so many pounds—I insist that that elevator company guarantee me, after the wheat is out of its control, that the government inspector will give just the same certificate and just the same weight."

Mr. CAMPBELL: Might I ask if the elevators have not been quite satisfied to do that in the past under the pool?

Mr. MEIGHEN: I have not been in the elevator business, but I have been in the business of shipping grain, and if I have any sympathy it is with the man who ships the grain; I would like to get back at a few of these elevators. It is true they have been satisfied in the past because there has never been any contest, there has been no wheat pool. The thing worked all right because there was no ground of conflict, but once ground of conflict arises, you can see where the man feels he may be subjected to very grave injustice.

Mr. BEAUBIEN: If the grain is shipped to a terminal where there is a government weigh and inspection, it is all done by the government, and what can happen to that grain from the time it leaves that elevator until it reaches the terminal?

Mr. MEIGHEN: Suppose the elevator man felt it was a No. 2 northern wheat and gave a certificate accordingly, and the government man says: "No, it is No. 3"—the elevator man has no right of appeal. His interest has been cancelled. His right of approach to the inspector has gone. If he goes to the inspector and says: "Here, I object to that," the inspector says, "What have you got to do with it? There is the door." And where is the elevator man?

Mr. BEAUBIEN: The grain would be subject to grade, and would he not get relief from the fact that the grain was taken subject to grade?

Mr. MEIGHEN: I am not very clear on that phase. Perhaps he could. I do not know enough about it to say if that would relieve him.

Mr. COOTE: I tried to follow very closely the argument of the right hon. leader of the opposition, and I agree practically with what he says. But if there is a difficulty facing the elevator companies in the handling of this wheat to a designated terminal,

4 p.m.

is not the proper method of protecting the grain company through our methods of weighing and inspection? It seems to me that is where the difficulty facing the grain company must be overcome.

Mr. MEIGHEN: The grain company has to comply with the method established by this act, and if they have to, you have to give them some way of doing it.

Mr. COOTE: If necessary, we could put something else in the act.

Mr. JELLIFF: Seeing that the leader of the opposition has read subsection 2 of the old act, will he also read to the committee subsection 4 of section 159, and tell us whether the intention of the law was not to place the direction of the shipment in the hands of the owner of the grain? It seems that way to me.

Mr. MEIGHEN: Section 4 reads this way:

Nothing herein shall prevent the owner of such grain from at any time before it is shipped to terminals, requiring it to be shipped to any other terminal than as hereinbefore provided.

Certainly not, but once the grain is started on its shipment, it is shipped, and he never could then re-elect when the elevator man had exercised his right and shipped out the grain to a certain terminal at Fort William. The owner could not have diverted it on the way under that section.

Mr. GARLAND (Bow River): Here is a practical illustration; I would like to put to the leader of the opposition, and see if he can work out a solution for me. I am hauling my grain into one of our local country elevators I am storing that grain to grade. In the meantime some of my neighbours are hauling their grain into that same elevator, and much of it is stored in the same bin with mine, grain that may be of a quality not as good as my own. The elevator man grades mine as No. 2. He takes a chance on my neighbour's grain, grades it No. 2 and slams it into the same bin with mine. My car is loaded on track, and I say I want it shipped to a certain terminal elevator. Under the new provision of the act, the elevator operator is not under the responsibility for grade, weight or dockage when the car gets to the other end. That may be entirely due to the fact that the local elevator agent has been guilty of an error in judgment in mixing a low grade, which was really No. 3, with my No. 2. I lose my grade and I have no comeback under this. Moreover, I may be short in my weight. The elevator agent may not even have allowed me full weight on the car.

Mr. MEIGHEN: Could the hon. member not protect himself on his grade by taking his sample and keep control of his sample from the first. Then he is absolutely safe.

Mr. GARLAND (Bow River): What use is it to keep samples? You could keep samples till you were black in the face, but it would not do you any good, for the operator of that elevator is released from all responsibility under this act. The moment the owner of the grain demands that the car be shipped to a certain terminal elevator, that unfortunate owner has to take all responsibility for whatever mistakes the local country elevator may have made.

Mr. MEIGHEN: That is to say, if the man directs where it is going to go, and takes it out of the control of the elevator?

Mr. GARLAND (Bow River): Yes.

Mr. MEIGHEN: Well, why should he not? He does not have to do that. If he is going to make that man responsible for losses in weight en route, and make him responsible for grade, he has to give him some way of discharging that responsibility. If the hon. member will suggest some way in which the

elevator man can discharge the responsibility imposed upon him under this act, I will certainly recognize the full right of the farmer to follow his grain right through to wherever he wants it to go.

Mr. GARLAND (Bow River): I think this government and the leader of the opposition will have some difficulty in convincing the ordinary western farmer of the justice of this provision.

With regard to what the hon. member for Fort William and Rainy River (Mr. Manion) says, that the terminals at Fort William decided they had to have feeders and so placed country elevators all over the country—surely these people have some rights, he said: they have invested their money in these elevators. I tell him and those like him who have spoken against this amendment, that they are doing a greater injury to these terminal and country elevators than any member in this part of the House, for the reason that if this clause goes through, there will be such an increased swelling of demand amongst the poor grain men of western Canada for ownership of their own country elevators and terminals, that very soon my hon. friend and his friends will find themselves facing such competition that they will be put out of business.

Mr. MANION: My hon. friend has a habit of saying "my hon. friend and his friends." I hope my hon. friends down here are just as much my friends as the terminal elevator people. I have no interest in those people. Most of them live in Winnipeg, where my hon. friend wanted to send the Board of Grain Commissioners.

Mr. GARLAND (Bow River): They have been our friends and still are, and we hope they will continue to be our friends; but if this thing goes through they unfortunately put themselves in a position apart from the pool altogether and that will start a feeling of bitterness which will never die. I would rather we should continue in the closest possible co-operation. We can work out a solution together. It will be as much in the interest of the grain trade and the elevator people to see that the pool is satisfied and meets with reasonable co-operation from them as it has from us. We do not want to go into this tremendous enterprise with the small capital at our disposal, but if they force us, we will go into it and we are going to win.

Mr. JELLIFF: It seems to me that the provision of the old act was better than the corresponding new provision. I am going to suggest to the minister that he accept the provision of the old act and substitute section 159 of that act, in place of 150 in the present act.

Mr. LOW: I am sure the government will be glad to meet the wishes of the House and we are anxious to have this bill sent over to the Senate. If the Senate takes as long to discuss it as we have in this chamber, the session may be prolonged indefinitely. A number of members on the other side of the House have stated that they were satisfied with the old section. My hon. friend has suggested that the old section be substituted for section 150 in the bill submitted to the House. If that will settle the matter we are willing to accept that suggestion.

Mr. FORKE: I have listened to the discussion and I cannot add anything that will throw any more light on the subject. There is no denying the fact that a new condition has arisen that did not exist at any previous time in the history of our grain trade. The coming into operation of the pool has created new conditions that perhaps require different treatment from that which was required formerly. I find myself in rather a difficulty, and I might almost say, painful position. I have been receiving numerous telegrams asking for this very thing that my hon. friends behind me are fighting for here this afternoon. On the other hand, I have to try to get some idea as to what is the proper and right thing to do under the circumstances. I have been interested in the United Grain Growers' Grain Company almost, I think, ever since its inception. It will not do any harm to tell the House that I own quite a number of debentures of that company. I am also a shareholder in the company. It took a great many years to build up that great company and I am just as much interested in the United Grain Growers' Grain Company as I am in the pool. I am a shareholder in the pool and I shipped all my grain to the pool last year, but I think we should keep in view the interests of both companies, and it is going to be disastrous if we allow the spirit of animosity and fighting to exist between the pool and the farmers' grain company that now operates in the west. I have heard a great many parallel cases cited, but no case has been cited which is exactly a parallel to the circumstances that now exist in regard to the shipping of grain. I think the right hon. leader of the opposition has stated the case plainly and fairly as I see it. I know that in making that statement I am running contrary to all my friends who sit behind me.

It has cost me some effort to make the statement, but I cannot view it in any other way. If you put responsibilities upon the local elevator you must give that elevator also some privileges to protect its own interest. The farmer has always a right to ship his grain to any terminal elevator he may choose, but if he does so he ought to take some responsibility. I know very well that in making that statement I am not making any friends, but I am doing what I believe to be in the interest of justice in voting as I propose to do on the measure.

The CHAIRMAN: The hon. member for Lethbridge (Mr. Jelliff) has moved that section 159 of the Grain Act be substituted for section 150 of the present bill.

Mr. GOOD: I have been trying to get to the heart of the controversy that has become somewhat acute, and I am very fearful of the consequences of a too hasty decision on this point. No doubt in the world, from what we have heard, there is a fairly strong feeling, and if the clause as at present drafted and recommended by the minister is carried I am very much afraid of a further serious inflaming of western opinion.

Mr. LOW: Not recommended by the minister, but by the committee.

Mr. GOOD: Yes, that is the clause at present under consideration to which an amendment has been moved. In spite of the fact that it is late in the session and we all desire to get business cleaned up, would it not be better to take a little time to see whether these points of view cannot be reconciled? It seems to be admitted that in practice, if not in theory, the old act worked fairly well, in that it permitted the farmer to elect as to where he should ship his grain.

Mr. FORKE: But a new condition has arisen.

Mr. GOOD: Under the new conditions that prevail, is it not possible that a provision such as that contained in the old act would allow the farmer in a collective way to elect as to where his grain should be shipped, and in that way afford the farmers the liberty which they claim is their right at the present time. I do not think there is any desire on the part of the wheat pool generally to inflict any disability on the elevator companies. It is argued that they must be in a position to discharge their responsibility. Is it not possible to find some way of getting out of the present deadlock, by which the elevator companies could be given a square deal, and at the same time permit the farmers to designate the terminal elevators to which they wish their grain to be shipped. A threat has been thrown out to-day which everybody has heard. If this clause is put through, and if the right which they now have or claim to have to designate the terminal elevator to which the grain shall be shipped is taken away from the farmers, particularly under the new conditions that prevail, I am very much afraid of the consequences. It may be that this threat will be given effect to, and it will be very much worse for the elevator and the elevator companies than it is at the present time. I suggest that some little forebearance should be exercised and that an effort be made to find a solution of this problem.

Mr. LOW: In order to make progress with the business of the House, the government is ready to meet the suggestion made by an hon. member from across the floor who I know, is deeply interested in the grain trade. But if it is not the wish of the committee to accept the suggestion made by that hon. member, there is only one thing for us to do, and that is to proceed with the bill as recommended by the committee on Agriculture.

Mr. CRERAR: I registered a vow with myself half an hour ago that I was not going to speak again in this debate, but I do not think the suggestion of the hon. member for Lethbridge (Mr. Jelliff) should be accepted. After all, we want to get a fair, workable provision. Under the old clause there was a doubt whether a farmer in Alberta for instance, could have his grain sent to Vancouver or Fort William. This new amendment was designed for the purpose of overcoming that. It went a good deal further than it should have gone; but if you revert to the old clause to-day, you place yourself in that position of doubt whether a farmer in Alberta can send his grain to Fort William or Vancouver. He should have the choice of these terminals. I do not think we shall get any more light if we speak on this subject for fourteen hours more. Let us vote on the question and get rid of it.

Mr. JELLIFF: I am not insisting upon my suggestion being carried out Perhaps there is something in what was pointed out by the hon. member for Marquette. I am perfectly willing to withdraw my suggestion if that is agreeable.

Mr. COOTE: Is the minister ready to accept the draft bill prepared by Chief Justice Turgeon after the commission had spent, I think, $175,000 in getting a new Grain Act?

Clause 151 was brought down covering this whole point. I think, as the Minister of Agriculture said, the mixers or somebody had a field day in the committee and they got this changed. The government should be willing to accept what Chief Justice Turgeon recommended covering this very point. It is in the first draft of the Grain Act, Bill No. 113, and is on every member's file. I do not see why it should not be accepted. Subclause (2) reads:

(2) Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if he so desires, in quantities not less than carload lots, on track at any terminal elevator in the western inspection division or at a proper terminal elevator at or adjacent to Duluth, so soon as the transportation company delivers the same at such terminal, and the certificate of grade and weight is returned.

(3) Nothing herein shall prevent the owner of such grain from, at any time before it is shipped to terminals, requiring it to be shipped to any other terminal than as hereinbefore provided.

Will the minister not accept the clause as drafted by Chief Justice Turgeon, the chairman of his own commission?

Mr. LOW: Chief Justice Turgeon was asked to prepare a bill He prepared a bill and it was submitted to the committee on Agriculture composed of about one hundred members of this House. Can the government afford to ignore the recommendations of that committee and merely reply: We will take the bill as drafted by Chief Justice Turgeon? We feel it our duty to listen to the recommendations of any committee when a bill has been referred to it.

Mr. MEIGHEN: It goes without saying that the government has no opinion of its own.

Mr. HOEY: At whose instigation was the change made? The committee should have that information.

Mr. WOODSWORTH: I do not wish to introduce a motion to disqualify any hon. member of this House from voting, but before the vote is taken I should like to have your ruling, Sir, with regard to the applicability of rule 22 which reads:

No member is entitled to vote upon any question in which he has a direct pecuniary interest, and the vote of any member so interested will be disallowed.

Mr. CANNON: On the suggestion made by the hon. member, should you decide according to rule 22, that some of the members are disqualified, they will have to withdraw. If you decide accordingly, I think that will shorten the debate considerably.

The CHAIRMAN: There is before the committee no evidence that I am aware of that any member has a pecuniary interest.

Amendment (Mr. Gould) negatived: Yeas, 47; Nays, 68.

Mr. MEIGHEN: Is this a government measure? No answer.

Mr. LOVIE moved:

That subsection (2) of section 150 be struck out and the following be substituted therefor:

"Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if he so desires, in quantities not less than carload lots, on track at any terminal elevator in the Western Inspection Division or at a proper terminal elevator at or adjacent to Duluth, so soon as the transportation company delivers the same at such terminal, and the certificate of grade and weight is returned."

He said: This is the original section as proposed by Mr. Justice Turgeon in his framing of the Grain Act, and although it was defeated in the agricultural committee those of us who have stood for the rights of the farmer were very much opposed to the clause providing that the operator of a country elevator should be relieved from all responsibility as regards weight. The passage of this clause relieving the country operator of all responsibility in this matter would lead to one thing only; the elevators would be discarded absolutely. The farmers have been jealous of their right to ship their grain to any terminal they may designate. If you go back twenty years you will find what hardships they suffered in connection with the shipping of grain. I can look back to the time when no one was allowed to place a car at the elevator in order to load grain if he had ordered a car for the platform. I have seen that done, and the fight which we have had during these years to obtain the privileges that we have enjoyed now for some time is going to be rendered futile; all that has been achieved will be wiped out if this clause is allowed to stand as it is. For that reason I move the amendment.

Mr. EVANS: The controversy now going on in the House is a continuation of the old fight which has been waged for about thirty years between the farmer and the different

public utilities for the right of the farmer to do his own business. It is not so long ago since we had to do battle with the Canadian Pacific Railway for the right to have a car loaded on the siding. They had given a monopoly of all cars to the elevator companies who would construct on their lands houses of 25,000 bushels capacity, so that the farmer could not load his own car. Later on we had to fight a combination of the interests comprising the grain trade backed by the railways and by the banks of this country. And now that the farmers have been driven into co-operative movements there is a desire on the part of certain interests throughout the country to kill that endeavour in its infancy. It is not a case of not using the elevators; all the elevators will be needed any time there is an average crop in western Canada, if they will make themselves available. The member for Marquette (Mr. Crerar) says that it has been the practice for the farmer using the country elevator to accept the amount named by the country elevator company. It is not so. I have been shipping grain for the last thirty years and I have exercised my right to direct my car to any terminal elevator I might choose; and that right has never been questioned. Mr. Justice Turgeon in his report makes it very plain that in his opinion that right was never challenged. He says:

> In this respect, however, care should be taken to see that nothing is done which will prevent the wheat pools' selling agents from taking into their private elevators the grain forwarded by the members of the pools, or by the organizations on behalf of the members. According to the agreement entered into by each producer who joins the pool, the grain remains his own property until sold by the selling agency, and the producers are virtually doing their own mixing.

As I have said, I have always exercised this right and it has never been disputed in my case; and I intend in the future, if I cannot continue to assert the same right, to do what I can to persuade my people to load at the platform and leave both the country elevator and the terminal idle. There is no injustice done the country elevator company. The weighmaster at the terminal is the link between the shipper and the elevator company, and it is a link of justice in which both hitherto participated. There has never been any doubt about this and I cannot see where any injustice is done by holding the country elevator company responsible for the amount until the certificate of weight is given at the terminal elevator. In one case where one of my cars went 40 bushels short the difference was collected afterwards on an affidavit given by the country elevator to the railway company to the effect that the wheat had gone into that car, so that it was collected from the railway company. So far as I can see there is no injustice whatever to fear from this amendment. I appeal to the committee to let it go through on behalf of the producers of western Canada who need all the encouragement they can get. I think it would be unfair to a large portion of the Dominion if the amendment were rejected.

Amendment (Mr. Lovie) negatived: Yeas, 40; Nays, 62.

Section agreed to.

Sections 151 to 182 inclusive agreed to.

On section 183—Applicant to declare his intention and ability to load, etc.

Mr. McTAGGART: Mr. Chairman, I desire to move the following amendment to this section:

> That all the words between the word "agent" in line twenty-one and the word "shall" in line twenty-three be struck out, and the following substituted therefor, "shall be informed by the railway agent of the allotment to him of a car in good order and condition and"

As amended the section will read:

> Each such applicant or agent shall be informed by the railway agent of the allotment to him of a car in good order and condition, and shall within three hours declare his intention and ability to load the said car within the time hereinafter prescribed.

The purpose of the amendment is simply to make it sure that the applicant for a car shall be informed by the station agent when his name appears on the list as entitled to a car. Under the present law there is absolutely no assurance that the applicant will be informed at all. I think, Mr. Chairman, this section is even more important than the section to which we have given so much time this afternoon. I believe that the farmers of western Canada would be millions of dollars ahead if they took more advantage of the loading platform, and it is my opinion that if the grain pool in western Canada proves to be the success which we hope, the car loading platform will come back into its own once again. I have been loading my grain over the platform for many years, and have found that when the loading platform was used very extensively the farmers encountered this difficulty: about the time the name of a prospective shipper was getting near the top of the list as entitled to a car, he practically had to remain in the town or near the station agent in order to insure getting the car when it was allotted to him, because if he did not happen to be in the vicinity the law did not require the station agent to notify him.

Mr. GRAHAM: Would this amendment mean that a man after being notified could go about his business while another man waiting for a car would have to stand around indefinitely?

Mr. McTAGGART: No.

Mr. GARLAND: (Bow River) He has only three hours after notification within which to declare his intentino of accepting the car.

Mr. McTAGGART: I have no idea of imposing an obligation on the railway company which would be impracticable for them to carry out. Take the case of a farmer living twelve or fifteen miles from town; possibly he cannot be at the station the day the car is allotted to him, but he may appoint an agent—say the storekeeper—and if the amended section passes, the station agent would be obligated to notify the agent of the farmer, whereupon it would be up to the latter to get in touch with the farmer at once and advise him of the allotment of the car, and he would have to declare within three hours afterwards his intention to proceed with the loading, otherwise he would forfeit his allotment.

Mr. GRAHAM: I do not see anything wrong with it from the railway standpoint. Of course if the farmer named an agent the burden would be on him to have the station master know who the agent was.

Mr. SALES: This amendment was considered very carefully by the committee, and the very point raised by the Minister of Railways and Canals (Mr. Graham) was considered there. Where a man was living twenty-five miles out in the country the railway agent could not possibly notify him and he should appoint some agent in town whom the railway agent could notify.

Amendment (Mr. McTaggart) agreed to.

Section as amended agreed to.

Sections 184 to 190 inclusive agreed to.

On section 191—48 hours for loading. Exception.

Mr. LUCAS: I move that section 191 be amended by striking out all the words after the word "hours" in line 14.

Mr. LOW: I am afraid that would impose a further hardship on our struggling railways.

Mr. LUCAS: The coal companies use these cars in their coal yards in the very season of the year when we are shipping our grain and they are allowed forty-eight hours within which to load. This amendment simply places the farmer on the same basis. The provision was incorporated in the Grain Act some years ago with the idea of speeding up the loading of cars at the busy season of the year, but I do not think it has worked out that way. During the threshing season the whole country is busy; the individual farmer cannot load a car in one day without getting assistance from his neighbours, and the result is that he simply has to pay this demurrage. In the week of the 14th of January last 388,000 bushels of grain were loaded over platforms, or something over 300 cars, and that means a considerable sum to the farmers when spread over the year. It does not result in speeding up the loading of the cars. I would ask the committee to allow this amendment to pass.

Mr. SPENCER: I support the hon. member (Mr. Lucas) in his amendment. The number of people in western Canada who live more than twelve miles from the railway is greater than those who live within twelve miles of it, and no farmer is going to dilly-dally in loading his car; it is in his interest to load it as soon as possible. The present system simply means that the farmer has to pay demurrage, and if we allow him the extra time it will not mean that the cars will be held any longer. It will simply be that much relief for the farmer.

Mr. LEADER: I support the amendment. It is true that the Royal Grain Inquiry Commission recommended this section, but they also had this statement in their report:

> The twenty-four hour rule does not cause hardship for shipments from elevators. It strikes at the farmer who uses the loading platform. It was contended that it was unfair that a rule should be enforced that singled out for discriminatory treatment one class of shippers, particularly as the grain shipped over the platform in most instances had to be hauled some distance to the loading point.

I am sure the farmers are just as anxious to get their grain to market as the railway companies are to get the cars loaded. Whether they have forty-eight hours, or twenty-four hours, or a week, to do it, they are under a big expense, and they are going to expedite the work as much as possible. It would not cause any hardship to the railways to have this forty-eight hour clause apply to every day in the year. There is a new system growing up in western Canada in regard to the threshing of grain. In former years we used to have the big threshing outfits with a crew of twenty men, capable of threshing from 1,500 to 2,000 bushels of grain a day. There is now coming into vogue a smaller machine capable of threshing from 400 to 800 bushels a day, so it

is utterly impossible to load a car of a capacity of 1,000 bushels, to say nothing of a 1,500 bushel car, in twenty-four hours. It is true they say in this report that there has not been much demurrage paid, and I believe that is the case. It will not affect my district because most of our threshing is done in August, but further west where the seasons are later it may make a difference to the farmers if they are compelled to pay demurrage on cars that are held over twenty-four hours. They cannot be loaded with the smaller machines in that time.

Mr. COOTE: Is it not the case that the farmers sometimes have to wait more than twenty-four hours to get the cars to load grain into?

Mr. LEADER: Yes, indeed. The situation is a great deal better now than it was a few years ago. While the farmer had to pay demurrage on a car held beyond the stipulated time, the railway companies would leave cars loaded at the platform for a week and there was no redress, although the market would be going down and the farmer would be anxious to get his grain to the lake front. It seems to me the demurrage charge should be reciprocal if it is to be enacted at all.

Mr. STEWART (Argenteuil): In my experience, when we had no elevators in my town we loaded over the platform and sometimes a car was held up for forty-eight hours by a neighbour and we were thus kept that much longer getting our turn. So that it works both ways in the very busy season; do not forget that. In these days, when they are moving grain much more rapidly than they did then, and with better facilities for moving the grain, it seems to me you are treading on dangerous ground when you suggest that the loading platform should be used for a longer time than has been allowed in the past. Everyone knows that loading at an elevator is only a matter of hours, but when you are hauling grain from your farm and loading it from the platform, the quicker you get the cars away from the platform the quicker you get to market, and the better it is for all concerned. I have very grave doubts if you would help very much by cutting out the twenty-four hour provision during the busy season.

Mr. LEADER: May I ask, why was the car delayed beyond twenty-four hours? Was it through any fault of the farmer?

[Mr. Leader.]

Mr. STEWART (Argenteuil): He did not get it loaded within the twenty-four hours, but he could load it in that time. My experience is that you cannot load these cars, outside a radius of six miles with the speed—

Mr. GOULD: Oh yes.

Mr. STEWART (Argenteuil): I have loaded a good many, and I know how long it takes. Now with cars having a capacity of 1,500 bushels, it takes longer to load. What I want to point out is that to extend the time would simply cause delay and a slowing up in the whole movement of grain in the very busy season, when there is a great shortage of cars, and when you want to get your grain on the market as quickly as you can.

Mr. LEADER: Will not the minister admit that these small machines are incapable of loading a car of wheat in twenty-four hours?

Mr. STEWART (Argenteuil): The experience in my locality is that part of the grain is in the granary, ready to haul out. It is obviously impossible with a small machine threshing about 500 bushels a day to load 1,000 bushels onto a car in twenty-four hours—unless you have some facilities for storing, but almost invariably the farmer has some grain in his granary ready to haul out.

Mr. LEADER: If the minister will come to my locality, I will show him hundreds of small machines all loading their cars from the loading platform, and it takes two days to load each car.

Mr. GRAHAM: I know the railways are very much opposed to this. Millions and millions of dollars are spent in getting cars ready to move the grain crop, cars that lie idle for a good part of the year outside of that. This proposal means doubling the time for loading, and practically doubling the number of cars you will have to have to meet the demand. That will be added to the rate on your grain. There is no other way of getting at it. I think hon. gentlemen ought to be satisfied with this bill. We have gone on and not pressed all these things because they might raise opposition in quarters where we do not want to have it raised, but to endeavour to get the railways to double the time in which a car should be loaded is only hampering the whole grain movement, and I think would be of no benefit at all to the farmers themselves.

Mr. GOULD: I agree with the two ministers. I live and market my grain eight and one-half miles from a loading platform, and

with my neighbours' assistance I succeed in loading my car of grain on time, sometimes not within the twenty-four hours, but the railway companies are very generous and they have not been inclined to impose this dollar a day demurrage. Even if they did so, I argue that the farmers is receiving a service at away below cost when he can hold a car another twenty-four hours at the loading platform for one dollar.

In regard to the argument about small machines, if the farmer chooses to use a machine that will thresh only from 400 to 800 bushels a day, why should the railway companies or the neighbours be penalized for that? If the amendment carries, we shall have succeeded in providing for three cars at the loading platform placed side by side or endways, allowing three farmers to load at one time. That has been found necessary because of late years, since the old act was drafted, the cars have increased in size, and we have found that three men could not load at one time. But this new provision regarding the loading platform is going to be the greatest factor in shipping grain from western points in future, and so far as I am concerned I am not going to press for anything further than the act gives us at the present time.

Mr. SPENCER: I was speaking a few minutes ago for the man who lives a distance from the railway. I would suggest to the Minister of Railways that if he is in favour of keeping the farmer down to loading within twenty-four hours, why not keep the man who loads coal down to a twenty-four hour basis too?

Mr. GRAHAM: Sometimes it is a physical impossibility.

Mr. SPENCER: The same with grain.

Mr. SALES: I load my grain over the platform, and the provisions of this act as it is now I think are in the best interest of the farmer. If we change this provision, we are going to slow up the whole movement of grain. Like my hon. friend (Mr. Gould) I have never found the railway trouble me very much about demurrage. That is my experience. As for the man who lives far away, he will be hauling grain at the very time when he will be able to get forty-eight hours for loading. I am going to support the clause as it stands.

Mr. DAVIES: I opposed this amendment in the committee, and I am going to oppose it now. I am one of those who happen to be eight or ten miles from the railway, and I think this act makes generous provision, because for practically nine months in the year we have forty-eight hours in which to load a car. To adopt the amendment would mean slowing up the whole movement of grain in the three busy months of the year, and that would react upon the farmers themselves; there is not the slightest shadow of doubt in my mind about that. After passing section 150 this afternoon, the farmers are going 5 p.m. to use the platforms to the very fullest extent, and we want nothing to slow up that movement. It will take the farmer two days, if he is eight or nine miles away, to load a car, but my hon. friends have not told this House that during the threshing season the farmers in the west form bees where neighbours get together, and with eight or nine or ten teams load a car in a day without any trouble. This has been my experience for the last ten years, and we have had absolutely no complaint of the twenty-four hours during the whole time. Therefore, why should we pass this amendment?

Mr. MILLAR: A complaint came to me a short time ago bearing on this point, and I will try to give the words as near as I can of the farmers who made the complaint. They said: We live seven miles from the station. A car is spotted at perhaps two o'clock in the afternoon, when the teams of the farmers are scattered around the farm, and some of them may not even be on the farm. The agent in the town notifies the farmers that the car is spotted, and it takes him hours to gather the teams together and load the grain. It is practically impossible for him to get in more than one load with each team before the twenty-four hours is up. At two o'clock the next day the twenty-four hours has expired.

What the minister has said is true, that this would to a certain extent tie up the transportation system, but I think the Minister of Railways exaggerated somewhat; he does not often exaggerate, but I think he did when he referred to the great increase in rolling stock that would be required. We have to consider the greatest good of the greatest number, but it does seem a little hardship to the man who is charged one dollar demurrage, and that is increased to three dollars the second day, and to six dollars or more I believe the third day. I do not see why they should not be allowed the same time as the men who are unloading lumber or coal. They are given forty-eight hours. Why the difference? The man unloading coal has his agent right nearby and lives in the town, and has all his help nearby, and has a better chance to unload a carload

of coal in twenty-four hours that a farmer who lives seven or eight miles out in the country. I do not think it would be any great hardship if those words were struck out.

Amendment (Mr. Lucas) negatived.

Section as amended agreed to.

Sections 192 to 236, inclusive, agreed to.

Schedules A, A1 and B carried.

On schedule B1:

The CHAIRMAN: There seems to be an error in this schedule. The words "special grain ticket" should read "special bin ticket."

Mr. CRERAR: Yes, that is right.

Mr. BROWN: Yes.

Amendment agreed to.

Schedule as amended agreed to.

Schedules C, D, E, F and G agreed to.

Mr. LOW: There is a schedule of elevators attached, No. 2.

Schedule agreed to.

Bill reported, with amendments.

Amendments read the second time and concurred in.

Mr. SPEAKER: When shall the bill be read a third time?

Mr. LOW: I was not in the House last night when section 140, clause (b), was amended. I am informed by the chief inspector and by the chairman of the board that it will be impossible to carry out the clause as amended, and I suggest that the words "general average" be struck out.

Some hon. MEMBERS: No.

Mr. HOEY: Will the minister tell us how the amended section will read?

Mr. LOW: It will read thus:

All grain inspected out of a private elevator shall be required in order to receive a grade to be equal to the quality of the grain of a similar grade passing inspection at the initial inspection point, and shall be properly cleaned.

Mr. GARLAND (Bow River): I rise to a point of order. An amendment of this character is not in order at this stage.

Mr. SPEAKER: If it were a material amendment, the point would be well taken, but if the hon. gentleman will refer to Beauchesne's Parliamentary Rules and Forms, section 553 he will find the following:

No amendment not merely verbal shall be made to any bill on the third reading. British House Standing Orders, No. 42, passed 21st July, 1856. When material

amendments are desirable, the order for the third reading may be discharged, and the bill recommitted to introduce the amendments in committee. In such cases it has been customary to consider the bill as amended, and to read it the third time, immediately. As a fact the Canadian Commons never amend the bill at this stage.

Except for verbal amendments of an unimportant nature.

Mr. GARLAND (Bow River): May I point out to Your Honour that this amendment is a most important one and will largely spoil any gain we have made?

Mr. LOW: I will withdraw my amendment.

Amendment withdrawn.

Mr. MANION: I have a telegram that I received just a few minutes ago and that I wish to put on record for consideration of members of the Senate. This is from the secretary of the Fort William and Port Arthur Grain Exchange, Mr. David Lemay, sent to myself:

At a meeting of the Fort William and Port Arthur Grain Exchange held to-day I have been instructed to forward to you the following protest. Paragraph D section 141 amended in committee to read as follows: "All grain inspected out of a private elevator shall be required in order to receive a grade to be equal in quality to a similar grade passing inspection from the general bins of a public terminal elevator." This amendment passed committee of Agriculture and we understand that House has now reinserted the following: "All grain inspected out of a private elevator or out of a special bin as aforesaid shall be required in order to receive a grade to be equal to the general average quality of the grade of a similar grade"—

I presume it is "a similar grade".

—"passing inspection at the initial official inspection point and shall be properly cleaned." Section as passed provides for two standards of inspection out at the head of the lakes one for private elevators and the other for public elevators. This in itself is wrong and unfair and the higher standard required of a private house is practically imppossible. Private elevators should not be required to put out a higher grade than the public elevators. This is most important to the private elevators in Fort William and Port Arthur. Please do all you can to get clause changed back to the same as that adopted by the Agricultural committee.

Mr. SPEAKER: There is nothing before the Chair, the amendment being withdrawn. When shall the bill be read a third time?

Some hon. MEMBERS: Now.

Mr. LOW moved the third reading of the bill.

Motion agreed to and bill read the third time.

Mr. COOTE: Mr. Speaker, I desire to move that this bill be not now read a third time.

Some hon. MEMBERS: Too late.

Mr. SPEAKER: It has been read a third time.

Mr. COOTE: I may be too late, but I was on my feet and said your name.

Mr. SPEAKER: I must accept the hon. gentleman's word.

Mr. COOTE: I move:

That the bill be not now read a third time but that it be referred back to the committee of the Whole with instructions that they have power to amend the bill by striking out subsection (2) of section 150 and substituting therefor the following:

Such receipt shall also state upon its face that the grain mentioned therein has been received into store, and that upon the return of such receipt, and upon payment or tender of payment of all lawful charges for receiving, storing, insuring, delivering or otherwise handling such grain, which may accrue up to the time of the return of the receipt, the grain is deliverable to the person on whose account it has been taken into store, or to his order, from the country elevator where it was received for storage, or, if he so desires, in quantities not less than carload lots, on track at any terminal elevator in the western inspection division or at a proper terminal elevator at or adjacent to Duluth, so soon as the transportation company delivers the same at such terminal, and the certificate of grade and weight is returned.

The House divided on the amendment (Mr. Coote), which was negatived on the following division:

YEAS

Messieurs:

Bancroft,	Leader,
Bird,	Lewis,
Brown,	Lovie,
Campbell,	Lucas,
Carmichael,	Macphail (Miss),
Coote,	McConica,
Davies,	McTaggart,
Elliott (Dundas),	Millar,
Evans,	Milne,
Gardiner,	Neill,
Garland (Bow River),	Sales,
Good,	Shaw,
Gould,	Speakman,
Hoey,	Spencer,
Hopkins,	Steedsman,
Irvine,	Stewart (Humboldt),
Jelliff,	Thurston,
Johnston,	Ward,
Kennedy (Edmonton),	Warner,
Knox,	Woodsworth.—40.

NAYS

Messieurs:

Anderson,	Crerar,
Baldwin,	Denis (St. Denis),
Béland,	Desaulniers,
Benoit,	Descoteaux,
Black (Huron),	Dickie,
Boivin,	Drayton (Sir Henry),
Bouchard,	Duncan,
Boucher,	Elliott (Waterloo),
Bowen,	Fafard,
Boys,	Fansher,
Cannon,	Findlay,
Cardin,	Fiset (Sir Eugene),
Carruthers,	Fontaine,
Casgrain,	Forke,
Chaplin,	Forrester,
Charters,	Fortier,
Clark,	Fournier,
Copp,	Garland (Carleton),
Gendron,	Motherwell,
Gervais,	Murdock,
Gordon,	Murphy,
Graham,	Ouimet,
Halbert,	Papineau,
Hammell,	Parent,
Hanna,	Pelletier,
Healy,	Pouliot,
Hocken,	Power,
Hodgins,	Preston,
Hubbs,	Prevost,
Hudson,	Raymond,
Hughes,	Reed,
Humphrey,	Rinfret,
Jacobs,	Robb,
Kennedy (Glengarry & Stormont),	Roberge,
King (Huron),	Robichaud,
King, Mackenzie (York),	Robitaille,
Ladner,	Ross (Simcoe),
Lanctôt,	Ryckman,
Lapierre,	St. Père,
Lapointe,	Savard,
Low,	Senn,
Macdonald (Pictou),	Sexsmith,
MacLaren,	Sheard,
MacLean (Prince, P.E.I.),	Simpson,
Maclean (York),	Sinclair (Oxford),
McDonald (Timiskaming),	Sinclair (Queens, P.E.I.),
McIsaac,	Snowball,
McKay,	Spence,
McKillop,	Stewart (Argenteuil),
McMaster,	Stewart (Hamilton),
Malcolm,	Stewart (Leeds),
Manion,	Stirling,
Marler,	Sutherland,
Maybee,	Tobin,
Meighen,	Vien,
Michaud,	Wallace,
Morin,	White.—114.

Mr. BEAUBIEN: I was paired with the minister without portfolio (Mr. McGiverin). Had I voted I would have voted for the amendment.

Main motion agreed to and bill read the third time and passed.

HOME BANK BILL

PROPOSED PAYMENT OF DEPOSITORS TO THE AMOUNT OF $5,450,000

SENATE AMENDMENTS

Hon. J. A. ROBB (Acting Minister of Finance) moved:

That a message be sent to the Senate to acquaint their honours that this House disagrees to their amendments to Bill No. 182 (An Act for the relief of the depositors of the Home Bank of Canada), for the following reasons:

1. Because the said amendments, which consist in changing the title and adding a preamble as well as new clauses, are foreign to the bill passed by the House of Commons on the 10th of June, 1925, the said preamble setting out that certain representations have been made to the Governor in Council and that the government's moral responsibility to the Home Bank depositors is not admitted, and also defining the principle on which pecuniary aid may be afforded to a limited number of creditors—thereby giving expression to recitals on behalf of the cabinet and the House of Commons which have not been authorized either by the government or by the House of Commons.

2. Because clause 2 of the bill, which had been passed by the House of Commons on the recommendation of the crown, and which provided that the amount mentioned therein be voted for the purpose of paying the Home Bank depositors such proportionate parts of their deposits as they should respectively be found entitled to in the liquidation proceedings, has been struck out and new clauses have been substituted determining another mode of payment based upon a different principle and fixing the amount to be paid at a sum not to exceed $3,000,000, besides changing the proportion for the distribution of these public moneys and establishing classes of persons who may be paid or denied payment, according to the provisions of the said new clauses.

3. Because clause A added to the bill provides for the appointment of a commissioner and the organization of a lengthy and costly procedure, thereby entailing a large expenditure which the Senate has no right to make a charge upon the public revenues, and which could only be authorized if it had first been recommended by the Governor General and voted by the House of Commons under sections 53 and 54 of the British North America Act.

4 Because it is provided by clause seven of the said bill as passed by the House of Commons that "the Governor-in-council may raise by way of loan temporary or otherwise, upon such form of security and upon such terms and conditions as the Governor-in-council may approve such sum or sums of money as are required for the purpose of making the payment authorized by this act, and any sum so raised shall form part of the consolidated revenue fund" and the raising of any loan as a charge upon the consolidated revenue fund is the undoubted and sole privilege of the Commons,—the Senate having no right to alter the same, whether by increase or reduction.

5 Because the title, principle, policy and economy of the said bill as passed by the House of Commons has been completely altered and a new bill has been substituted by their honours, and the action of the Senate in the premises is contrary to the constitution and against the accepted principles of British parliamentary practice.

6. Because the House of Commons, adhering to the British North America Act and the fundamental principle embodied in rule 78, cannot renounce its inalienable right to initiate and regulate the voting of all aids and supplies granted by parliament, and it has never acknowledged the right of the Senate to make amendments to money bills.

Some hon. MEMBERS: Carried.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, what an extraordinary state of affairs! The government has read out from the Chair a long series of resolutions involving its view of constitutional doctrine, and the application of that doctrine in respect of a variety of amendments made by the Senate to a bill, and the House is invited to vote upon it without the slightest exposition of the principles, without any explanation even of the Senate amendments, with no discussion as to the relation of the principles to the amendments—indeed, without a word from the government at all. In the first place, I do not think the government should ask the House to even discuss the matter now—

Mr. ROBB: We are not.

[Mr. Robb.]

Mr. MEIGHEN: —without adequate preparation. But to suggest, as I observed hon. members did, that the House vote upon it without discussion, is to me an affront to parliament.

Mr. GARLAND (Bow River): May I ask the government whether, in regard to the unfortunate few that are now permited under the Senate amendments to receive relief, we are by this motion depriving them of that relief?

Sir HENRY DRAYTON: Probably.

Mr. GARLAND (Bow River): Is this action of the government simply assisting the Senate to destroy the last vestige of hope for the depositors?

Mr. ROBB: No, this is an intimation to the Senate that the Commons will be prepared to have a conference with the Senate with a view to arriving at a proper basis in the matter.

Sir HENRY DRAYTON: No, it is not that at all.

Mr. SPEAKER: Is it the pleasure of the House to adopt the motion?

Mr. MEIGHEN: Is this matter to be put to a vote of this House in a manner such as this? It is unheard of. Does nobody on the government side know anything about it? Are we to have no explanation or exposition at all? I suggest that we have an exposition and that the matter be postponed until hon. members have had an opportunity to review any merits there may be in it. But we should have an exposition now from the government.

Hon. ERNEST LAPOINTE (Minister of Justice): I do not understand the attitude taken by my right hon. friend (Mr. Meighen). He claims that the government should define what its policy is in regard to this matter. Well, the very words of the resolution enunciate the principles on which the government base its refusal to accept the amendments of the Senate. If my right hon. friend objects to that declaration of principle, he is at liberty to discuss it as long as he likes. I do not see what affront is being made to parliament by this resolution. So far as the remarks of the hon. member for Bow River (Mr. Garland) are concerned, I may say that this is going to the Senate and the Senate will have to declare whether or not they insist on their amendments. If they insist on their amendments they will send a message to this House stating so, and this

House will then be at liberty to ask for a conference with the Senate with a view to coming to some understanding. Then it will be time to decide what the ultimate course will be and whether the bill is to be accepted as amended or altogether destroyed.

Sir HENRY DRAYTON (West York): It seems to me that we can never get away from what appears to be a rather melancholy position in connection with the Home Bank case. We are familiar with the start. We are familiar with how the investigation started. The first order in council, we know, was a purely political affair, so much so that it could not stand and was amended. Then again we had a political discussion in connection with something which should not have been a political discussion. We should be able to assume that the House was in earnest and wanted to do something for the depositors. We had a matter brought up in connection with a letter read by the Prime Minister (Mr. Mackenzie King) from Senator Robertson. We had in the first instance the case of a Conservative ex-Minister of Finance. We have in the next instance the suggestion—yes, more than a suggestion—that unless the amount provided for in the bill was placed in the estimates there would be a danger of the Senate doing exactly what it has done. The House could be assumed to be earnest and serious in its legislation: it could be assumed to mean what it said when last year it declared that irrespective of what happened not a cent of contribution could be made in cases of this kind. We are always losing sight of what we ought to have before us in connection with this case, namely, the needs of many needy people. But to-day this is to be lost sight of because we have to make a declaration of independence of this House as against the Senate. This constitutional fight may interest the on-lookers but I do not know what is to become of the claims of the depositors in the meantime. They will get nothing, or they will have to wait until we reach the end of this constitutional struggle. This motion does not ask for a conference; it is a notification to the Senate that the Senate have acted outside of their powers and that the course they have taken is entirely nugatory. It is an extraordinary fact that government members in the Senate took part in these proceedings and supported the action taken; that a member of the administration in the Senate supported it.

Mr. MEIGHEN: Hear, hear.

Mr. McMASTER: A Greek chorus.

Sir HENRY DRAYTON: I beg my hon. friend's pardon?

Mr. McMASTER: I did not mean to interrupt, but I was commenting on the "hear, hears" from the leader of the opposition. It was just like a Greek chorus.

Sir HENRY DRAYTON: My hon. friend may laugh, but this is a serious matter. A great many people are in a very difficult position as a result of the failure of the Home Bank. My view is just what it was when we were discussing the matter before, namely, that the necessitous cases should be looked after; that the measure was one not of indemnity but of relief where relief was needed and where relief was due. My position has been that I would like to see the really necessitous cases paid one hundred cents on the dollar, and that eleemosynary institutions, charitable organizations and things of that character should be treated in the same way. What really astonished me was the statement the Prime Minister made when he dealt with the Robertson letter. Why, it was necessary then, he said, that this matter should go to the Senate not tied to a Supply bill but in such a way that the Senate could deal with it and could function. The Prime Minister made a red hot attack upon Senator Robertson because, forsooth, he had suggested that the appropriation for reimbursement would be attached to the Supply bill, which, as everybody knows, does not raise any constitutional question. Everybody knows that the Commons and the Commons alone have power in the field of everything covered by the Supply bill.

Mr. MACDONALD (Pictou): Does my hon. friend not agree that if the Senate can do what they have done in relation to the Home Bank bill, they could do it also with the Supply bill?

Sir HENRY DRAYTON: I certainly do not. The authorities make a sharp distinction between grants in aid of His Majesty, grants of supply, votes for housekeeping expenses, and other matters. Why, Mr. Speaker, can the Senate amend a railway bill to which this government is the endorser? Can they amend the amount of the bonds which they seek to have issued for a branch line? Can they stop it? Can they alter it? Do they not do it every day? But no one as far as I have heard has ever suggested that they had any such right whatever in connection with Supply. There is a very great difference.

But I am not so much concerned to-day about these questions of legal right here and legal right there. If we are sincere in looking after the depositors who need the money, we are not going to do anything which is going to entirely prevent them from getting any relief whatever. In the first instance, was there any way—supposing, for example, the government were not sincere in this; I am not saying they were not, but supposing they were not sincere—was there any way in which the government could put themselves in this position the more readily than by what has been done, putting themselves in the position of saying to the depositors: "We are going to do everything for you," thereby getting their support, and then making sure they would not have to find the money. Supposing the government had not been sincere, what would they have done? Well, they would have put through an act like they put through last year, which would say: Under no circumstances can depositors get a cent, and they would say: That act we put through last year will apply not only in a case like this, but in a case which is far, far more urgent, in a case where neglect is far more outrageous, in a case where we set up the machinery to see these banks are run properly, in a case where negligence can be charged and brought home, but nevertheless under no circumstances can any payment be made at all.

Then again, if they had wanted to make sure it would be thrown out, could they have done better than to keep it out of the Supply bill—on the very grounds urged by the right hon. the Prime Minister in this House, that he was keeping it out of the Supply bill so that the Senate could go fully into it, so that the whole matter could be handled not only by this House but also by the Senate.

Then again, could anything have been more calculated to bring about the result than the use of the letter?

Again, if the idea be that we are to have a fuss about this and no one is to get any money, could that end be better brought about than by now engaging in the dying days of the session in a long discussion. It must be long—hon. gentlemen have heard the grounds read over; they are long enough, and if there is anything in them they are grave enough to merit some discussion. If you want to defeat everything, can you do better at the present stage than to enter upon the discussion which the government now invite the House to enter upon? Is there any surer way of ensuring that the depositors get nothing?

[Sir Henry Drayton.]

Mr. MACDONALD (Pictou): Does my hon. friend not know that this is the ordinary procedure that has been followed in every case where there has been a disagreement between the two Houses? There is nothing new about it.

Sir HENRY DRAYTON: I think my hon. friend is wrong there.

Mr. MACDONALD (Pictou): Not at all.

Sir HENRY DRAYTON: My hon. friend will find that when we really want to get something done, the way is not to decorate our coats with quite as many chips as this, but to ask in the first instance for a conference, and see if the matter cannot be arranged.

Some hon. MEMBERS: No.

Mr. MACDONALD (Pictou): This is the ordinary procedure.

Sir HENRY DRAYTON: Hon. gentlemen say no. Well, if they had put their protest not on the ground of all these various rights, which may or may not be correct, but on the ground of the necessities of indigent depositors that would be a very different thing indeed.

Mr. IRVINE: Seeing that the government has not explained the resolution as presented to the House, will the hon. member state what will be the next step, after we have passed this, in order to get money for the Home Bank depositors?

Sir HENRY DRAYTON: Mr. Speaker, as I understand it, after we have passed on this, if the Senate agree that their action is wrong in connection with the law and the constitution, which, of course, the government are very confident they will do, but if they should do that, why then, we would have a conference on the merits.

Mr. ROBB: Hear, hear.

Sir HENRY DRAYTON: My hon. friend says, "hear, hear." I wonder why he says "hear, hear." I think I know why; it is because he would have to find no money this year for the depositors.

Mr. VIEN: Does the hon. member know that we are now being requested by the Senate to concur in the amendments they have made to the act, and that the answer that is being given is that we cannot concur for the reasons enumerated. When that message is communicated to the Senate, their honours will then advise as to what is the next step to be taken. That is the constitutional practice.

Sir HENRY DRAYTON: It depends so much upon your object and which way you are travelling. It is perfectly proper to raise the issue on the merits if you have any doubt about the merits, but it is another thing to raise it on a technical thing like this when hon. gentlemen know nothing may come of it.

Mr. HOCKEN: Is it not within the power and right of the government to put this amount in the supplementary estimates and carry it through that way?

Mr. VIEN: We might do that later.

At six o'clock the House took recess.

After Recess

The House resumed at eight o'clock.

PRIVATE BILLS

ESSEX TERMINAL RAILWAY

The House in committee on Bill 120, respecting the Essex Terminal Railway Company—Mr. Healy—Mr. Gordon in the chair.

Section 2—Limitation of times for commencement and completion.

Mr. GARLAND (Bow River): Can we have some explanation of this section by the hon. member in charge. We asked for an explanation when the bill was in committee the other day.

Mr. HEALY: This is a bill asking for an extension of time to build a seven mile spur from the Essex Terminal railway which is already built and in operation, which connects the Canadian National railway, the Canadian Pacific railway, the Wabash, the Pere Marquette, the Michigan Central and the Hydro-electric line railway Sandwich, Windsor and Amherstburg, and the Windsor, Essex and Lake Shore railway. It is a belt line which also makes direct connection, or indirect connection, over the lines I have mentioned, with some two hundred manufacturing plants in the border cities. The reason this extension has not been built is that it will not be required until the plant now being built and owned by the Canadian Steel Corporation is put in operation. It will then be required in order to make it unnecessary to send the output of the plant through the manufacturing district, but will enable the steel corporation to make the direct connection with the Canadian Pacific railway and the Michigan and Central railways at Pelton. The railroad is in operation and has been for some years.

Section agreed to.

Section 3 agreed to.

Bill reported, read the third time and passed.

THE CALGARY AND FERNIE RAILWAY

The House in committee on Bill No. 184, respecting the Calgary and Fernie Railway Company.—Mr. Hudson.—Mr. Gordon in the chair.

On section 1.—Extension of time for construction.

The CHAIRMAN: There was some objection to this bill at the last sitting of the committee.

Mr. HUDSON: At the last sitting objection was taken to this bill going through, and since that time I have had some conversation with the hon. member for West Calgary (Mr. Shaw) and we have arrived at an understanding with regard to an amendment which I think will meet the situation. Notice was given of a proposed amendment by the hon. member for Medicine Hat (Mr. Gardiner), the notice appearing in the Votes and Proceedings of Saturday. I have communicated with the promoters of the bill, and they are willing to accept the amendment proposed by the hon. member if he will change the date mentioned in his notice from the 1st September, 1925, to the 1st January, 1926.

Mr. SHAW: I would suggest, Mr. Chairman, that the clause be considered as carried and that this proposed amendment be put in as section 2 (a).

The CHAIRMAN: Section 2 (a) will be the amendment proposed by the hon. member for Medicine Hat, and reads as follows:

The Calgary and Fernie Railway Company shall, not later than the first day of January, 1926, execute and deliver to the Minister of Railways and Canals a good and sufficient bond in the sum of twenty-five thousand dollars to be approved of by said minister, made in favour of the king in the right of the government of Canada and conditioned to secure the complete construction of ten miles of the said railway within two years of the passing of this act; provided that if the company fails to carry out the requirements of this section the powers of construction granted to it by this act shall cease and be null and void.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

Mr. SHAW: Is it not a fact that the concurrence of the Senate must be secured to this bill?

Mr. SPEAKER: It is not necessary.

CONSIDERED IN COMMITTEE—THIRD THIRD READINGS

Bill No. 187, respecting The Canadian Pacific Railway Company.—Mr. Hopkins.

Bill No. 178, for the relief of Matthew Wilson Lazenby.—Mr. Ross (Kingston).

Bill No. 179, for the relief of Evelyn Laura Herlehy.—Mr. Ross (Kingston)

Bill No. 178, for the relief of Lois Kathleen Purdy.—Mr. Ross (Kingston).

Bill No. 185, for the relief of George William Quibell.—Mr. Stewart (Hamilton).

Bill No. 186, for the relief of Frederick Ethelbert Shibley.—Mr. German.

Bill No. 188, for the relief of Alfred Percival Selby.—Mr. Clifford.

Bill No. 189, for the relief of Charles Thomas Bolton.—Mr. Duff.

Bill No. 190, for the relief of Ada Durward.—Mr. Clifford.

Bill No. 191, for the relief of Edward James Hogan.—Mr. Hanna.

Bill No. 192, for the relief of Roger Alexander McGill.—Mr. Bowen.

Bill No. 193, for the relief of John Perron.—Mr. McKay.

Bill No. 194, for the relief of William Albert Everingham.—Mr. Bowen.

Bill No. 195, for the relief of Mary Ella Mackey.—Mr. Ryckman.

Bill No. 196, for the relief of Melvin Grant Cowie.—Mr. Garland (Carleton).

Bill No. 214, for the relief of Ella May Stacey.—Mr. Jacobs.

Bill No. 215, for the relief of Jessie Harriett MacKey.—Mr. Boys.

Bill No. 216, for the relief of Edna Fox.—Sir Henry Drayton.

Bill No. 217, for the relief of James Jackson.—Mr. Church.

Bill No. 218, for the relief of William Frederick Hamilton Strangway.—Mr. Duff.

Bill No. 11, to incorporate Dominion Chartered Customs House Brokers Association.—Mr. McMaster.

Bill No. 219, respecting certain patents of Accounting and Tabulating Machine Corporation.—Mr. Jacobs.

Bill No. 222, for the relief of Walter Roderick Lewis.—Mr. Duff.

Bill No. 223, for the relief of Irene Muriel Corelli.—Mr. Garland (Carleton).

Bill No. 224, for the relief of Wilfred Clarence Byron.—Mr. Ross (Kingston).

[The Chairman.]

Bill No. 225, for the relief of Jessie Irene Yates.—Sir Henry Drayton.

Bill No. 227, for the relief of Walter Lewis Hawkins.—Mr. Stewart (Leeds).

Bill No. 228, for the relief of Lucy Eileen Johnston.—Mr. Church.

Bill No. 229, for the relief of Susan Ellen Taunton Love.—Mr. Jacobs.

Bill No. 230, for the relief of Caroline Watters.—Mr. Maclean (York).

Bill No. 231, for the relief of Grace Wilhelmina Harrison.—Mr. Church.

Bill No. 232, for the relief of Ethel Foster.—Mr. Sheard.

Bill No. 226, for the relief of Mary Ann Tattersall.—Mr. Preston.

Bill No. 197, for the relief of Euphemia Tudor Slade.—Mr. Duff.

Bill No. 198, for the relief of Marion Roberts Edmiston.—Mr. MacLaren.

Bill No. 199, for the relief of William Morgan Floyd.—Mr. Hanna.

Bill No. 200, for the relief of Harry Iven Jones.—Mr. Maclean (York).

Bill No. 201, for the relief of Edith Smith.—Mr. Duff.

Bill No. 202, for the relief Mary Helen Wallace.—Mr. German.

Bill No. 204, for the relief of Wilbert Newell Hurdman.—Mr. White.

Bill No. 211, for the relief of Maude Crawford Ross.—Mr. White.

Bill No. 212, for the relief of Bertha Matilda Quinn.—Mr. Garland (Carleton).

Bill No. 213, for the relief of William Garfield Reed.—Mr. Rankin.

Bill No. 235, for the relief of James Deverell.—Mr. Tolmie.

Bill No. 236, for the relief of Anita Allcock.—Mr. Rankin.

CONCURRENCE IN SENATE AMENDMENTS

Bill No. 20, respecting a patent owned by the Concrete Surfacing Machinery Company.—Mr. Chevrier.

Bill No. 38, to incorporate Knights of North America.—Mr. Maybee.

SECOND READINGS

Bill No. 203, for the relief of Elizabeth Ethel McSherry.—Mr. White.

Bill No. 220, respecting a patent owned by The John E. Russell Company.—Mr. Chevrier.

Bill No. 221, respecting a patent owned by The John E. Russell Company.—Mr. Chevrier.

HOME BANK

PROPOSED PAYMENT OF DEPOSITORS TO THE AMOUNT OF $5,450,000

SENATE AMENDMENTS

The House resumed consideration of the motion by the Acting Minister of Finance (Mr. Robb) for non-concurrence in amendments made by the Senate to Bill No. 182 for the relief of the depositors of the Home Bank of Canada.

Sir HENRY DRAYTON: Mr. Speaker, when the House rose for adjournment I had been discussing one or two phases of this question, and among others the attitude taken by my right hon. friend the Prime Minister when he was defending the course adopted by his government in introducing a bill instead of a vote in Supply for the relief of the Home Bank depositors. At that time there was no doubt at all in the mind of the right hon. gentleman that there was of necessity a very great difference between Supply and a bill in relation to the Senate jurisdiction and right to affect our legislation. As reported at page 4219 of Hansard the Prime Minister said:

> With regard to a measure of this kind which affects all classes in this country, it is of the utmost importance that it should be presented in the form of a bill. Indeed, if this government had denied the Senate the right of discussing this measure, what stronger weapon against any Senate reform would it have been possible to have placed in the hands of those who would like to see the Senate in its powers remain as it is?

I pause at that point to wonder whether the move now made is to form item No. 1 of the agenda of next year's conference on the powers of the Senate. Apparently the right hon. gentleman thinks the Senate has the right to look after matters of this kind, but if it has not, if it is innocuous, if it is without power, he goes on:

> What stronger weapon against any Senate reform would it have been possible to have placed in the hands of those who would like to see the Senate in its powers remain as it is? The people as a whole have certain rights which should be conserved, not only in this House but in the Senate as well. It is only when the Senate by its action repeated over and over again obviously defeats what is the will of parliament, that the Senate's action in any essential particular should be controlled. Once again I wish to say that the government has brought in this measure in the form that it has so that there would be no room for criticism on the part of hon. members opposite, either as to the method of bringing about this relief, or as to the fairness of the method by which the government has proceeded—

There was no secret as to what was the right way to bring it about, and in so far at any rate as one of the leading members of the Senate was concerned, he had pointed out that the proper procedure was to put in our Supply bill a vote to cover the amount of relief to be granted to the depositors. So I can hardly think my right hon. friend was serious in making those remarks. But the government then recognized the difference in the procedure, and recognized the right of the Senate to amend this bill.

Now, I am not going to argue whether the Senate is right or wrong I am concerned to see that the question of relief to the Home Bank depositors is not held over for this conference or because of the constitutional fight in connection with the matter. I am only going to assure hon. gentlemen that this is nothing new. Of course, so far as the matter of practice is concerned we know a good deal about it. We know, for example, that loan bills in connection with the railways have been considered, and have been changed by the Senate. We know that with regard, not to one but many railway bills the recommendation of this House has been entirely changed by the Senate. But in all those cases no protest was made at all by the government. It may be that what the Senate did was without right. We have a rule of the House which proclaims very definitely the position of this House, we have also the position taken by the Senate, and, further, we have the provisions of the British North America Act.

Now, so that hon. gentlemen will understand the magnitude of the controversy which is provoked, and in the maze of which I am afraid the Home Bank depositors are going to be lost altogether, I refer them to the Minutes and Proceedings of the Senate of May 15, 1919. They will find at page 422 a carefully prepared memorandum on the rights of the Senate in matters of financial legislation. They will also find that the memorandum—which is lengthy, and which I am not going to trouble the House by going over in detail—was submitted to constitutional lawyers. They will find the considered opinion of Mr. Lafleur, in which he is joined by Mr. Geoffrion, at page 429. The opinion is carefully drawn, and reasons are given. It winds up by saying:

> Under the circumstances, we are of the opinion that the Senate of Canada may amend—

Mr. CANNON: If my hon. friend will allow me, according to rule 16, paragraph 203 of Beauchesne's Parliamentary Rules and Forms, allusions to debates in the other House are out of order. It says further:

> There are few orders more important than this for the conduct of debate and for observing courtesy between Houses.

Sir HENRY DRAYTON: May I point out to my hon. friend that as yet Mr. Eugene Lafleur and Mr. Aimé Geoffrion are not senators. What I am reading from is a considered opinion given by these gentlemen, I am reading, it is true, from a record, but I am not reading part of a debate.

Mr. CANNON: I will call the attention of Mr. Speaker to rule 16, paragraph 202 of Beauchesne, which says:

It is not in order to read articles in newspapers, letters or communications emanating from persons outside the House and referring to, or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings within the House.

Sir HENRY DRAYTON: I am not even within radio broadcasting distance of that point, Mr. Speaker.

Mr. SPEAKER: I understand the hon member for West York (Sir Henry Drayton) is citing two legal authorities on the respective powers or jurisdictions of the Senate and the House of Commons as regards money bills. I happen to have read the opinion in question. It is not part of a debate which took place in the Senate. It is a document contained in the report of a special committee of the Senate. Any constitutional authority can be quoted in the House, whether the name is Lafleur or Geoffrion, whether it is May or Bourinot, or anybody else. As regards the first objection made by the hon. member for Dorchester (Mr. Cannon) it would be an objection to be considered if the hon. member for West York were commenting on views held by senators. But the very question now before the House is the issue which has been raised as between the Senate and the House of Commons with regard to the power to amend money bills. Therefore, the remarks of the hon. member for West York are pertinent and I do not think that the hon. member should insist on his objection.

Sir HENRY DRAYTON: Mr. Speaker, I am not going to give the whole of this opinion. It would be helpful to do so, but I do not want to delay the House. I will simply point out the conclusion. It says:

Under the circumstances, we are of the opinion that the Senate of Canada may amend a money bill originating in the House of Commons as fully as the House of Commons can do. Of course the powers of the Senate are limited to the same extent as those of the House of Commons by the fact that money bills must be recommended by a message of the Governor General.

But the opinion is not all on one side, Mr. Speaker. I am only pointing out the difficulty that is ahead of us if we are really going to tackle the question this session, before we can do anything about the Home Bank depositors. There is another opinion given, that of Mr. John S. Ewart. He does not state it quite so categorically, but the gist of his conclusion is that the Senate is without that power.

Mr. VIEN: Where is it to be found?

Sir HENRY DRAYTON: It is to be found at page 431 of the Minutes of Proceedings of the Senate, of date May 15, 1918. The memorandum draws a clear distinction between a money bill of this character—that is, a money bill which is not for the granting of supply to His Majesty, but for an entirely different purpose—and a bill which has to do with the requirements of the public service. The memorandum recognizes the absolute right of the Commons to secure its supply.

Mr. CANNON: Has that opinion been laid on the table of the House of Commons?

Sir HENRY DRAYTON: I am afraid I cannot tell my hon. friend whether it has or not.

Mr. CANNON: Well, if it has not, I rise to another point of order. Rule 19 refers to the discussion of messages or reports which are not regularly before the House. That document is not before the House. How can we follow the hon. gentleman's argument when he quotes from a document which is not before us?

Sir HENRY DRAYTON: It is not necessary to say anything in answer to that. If that principle were followed, it would be impossible to quote from a statute without first laying it before the House. It would be impossible to quote from anything without first laying it before the House.

Mr. CANNON: The statutes are public.

Sir HENRY DRAYTON: My hon. friend gets a little mixed as between a report in connection with the business of the House, on which this House has to act, and the statements of outside authorities, to which we certainly can refer. Anyway, the hon. member is a little bit late in starting. I had finished with the opinions; there they are.

Mr. CANNON: I would like to have a decision from the Speaker first.

Mr. SPEAKER: I thought I had given a ruling. In my humble judgment there is no point of order. The hon. member for West York (Sir Henry Drayton) is simply citing the opinion of two legal gentlemen on the respective powers of the Senate and the House of Commons as regards money bills. The point would be well taken if he were citing

from a document emanating from the Senate which had not been laid on the table of the House of Commons. Bourinot, of course, has never been tabled, May has never been tabled. They are authorities on parliamentary usuage and customs and procedure. The hon. member for West York is quoting the opinions of two legal gentlemen regarding the question at issue.

Mr. CANNON: Without discussing your decision, Mr. Speaker, with your permission may I say that a distinction should be made between the law and private commentaries on the law. Laws are public, and documents which are private have to be laid before the House before they can be discussed. Otherwise other members have absolutely no power to control what the members quoting these documents may say.

Mr. SPEAKER: The hon. member for West York is not quoting from a document emanating from the other House. He is citing the opinions of two legal luminaries as regards the question at issue. Whether they give their opinion to members of the upper chamber, or to members of the lower chamber, matters not. Their opinion is simply cited to add weight to an argument.

Sir HENRY DRAYTON: I have been absolutely fair in giving opinions both ways, so some of them at any rate must be worth something. At all events they constitute a valuable contribution to anything that may be said upon this subject, if hon. gentlemen want to look the subject up, frankly I do not want anybody to have to look the question up. I want to see some action one way or the other on its merits, if the government so desires, in connection with the Senate legislation. There is no question on the merits of these points at all. These points are entirely legal. I simply again point out that if we are to go into a legal fight in connection with this matter, if we are to consider the preparation of ammunition for a campaign against the Senate, the rights of the depositors of the bank most assuredly are going to suffer.

Hon. CHARLES MURPHY (Postmaster General): The hon. gentleman who has just resumed his seat (Sir Henry Drayton) has stated that he wants action. May I point out to him and to the House that the only way in which action can be taken at this stage, consistent with what the House has already done, is precisely the way in which the House is asked to proceed by the motion which has been placed in your hands, Mr. Speaker. In no other way at the present stage can action be taken.

A brief recital of the facts may help to clarify the situation, and at the same time make plain to the hon. members
9 p.m. of this House that the government is acting strictly in accordance with the procedure that is applicable to cases of this kind, and that there is nothing irregular or unusual about what has been done, or about what is proposed to be done. Let us look at what has happened.

On the 10th of June this House passed a bill, No. 182, An Act for the relief of the depositors of the Home Bank of Canada. As so passed, that bill was then sent to the Senate. The Senate in the exercise of its wisdom not only amended that bill, but, in effect, drafted an entirely new bill. So that there may not be any doubt on that subject let me quote an authority which will be accepted not only by hon. members of this House, but also by members of the other branch of this parliament.

Sir HENRY DRAYTON: Has the authority been tabled?

Mr. MURPHY: It is in the reading room of the Commons. The editor of the Montreal Gazette is also a respected member of the Senate, and in his paper of the 22nd of June there is an editorial, part of which is as follows:

> The new or revised Home Bank bill as sent to the House of Commons by the Senate is a notable example of skilful legislating. In the first place, the dangerous principle of compensation and the poor pretence of a moral obligation is rejected, the bill being thereby purged of its essentially vicious feature.

A little later on the editorial says:

> There is virtually a new bill which provides for a distribution upon an entirely different basis and to a more limited extent, and even the title of the measure has been changed.

Still later on in the same editorial in the Montreal Gazette, the owner of which, as I have stated, is a respected member of the Senate, there is this statement:

> The "moral responsibility" basis is formally repudiated in the legislation.

That, Mr. Speaker, is a very apt description of what took place in the Senate. After that had been done, the Senate sent the bill back to this House. The situation then was that this House had either to concur in the amendments that had been made, or rather accept this entirely new bill drafted by the Senate, or disagree to the amendments. The government proposes that this House will not concur in these amendments, or accept this new bill, and the government has stated its reasons for taking that attitude in the motion which has been placed in your hands.

Mr. Speaker. That, Sir, is entirely in accordance with the regular procedure in such cases.

Now what is the further procedure that is to be taken? My hon. friend the Minister of Justice (Mr. Lapointe) briefly stated that further procedure this afternoon. Allow me to briefly re-state it.

As I have said, the reasons for the action proposed by the government are fully set forth in the motion before us. Now under the rules and procedure and the precedents recognized in this House, the further steps to be taken may be briefly summarized as follows: Assuming that the motion in your hands, Mr. Speaker, would pass, then a message would be sent to the Senate. That is the usual course. The message in all these cases is such as you have read to the House, or one similar to it applicable to the circumstances of each case. Having received that message, the Senate then agrees to the position taken by the Commons, or disagrees. If the Senate agrees, then the matter under discussion is easily adjusted. If, on the other hand, the Senate disagrees or insists upon its amendments, it sends back a message to the Commons to that effect. Having received that message, this House then asks for a free conference with the Senate. If the Senate agrees to a free conference, this House names its representatives, or, as they are called under parliamentary procedure, the managers, who will represent it at the conference. The Senate names its managers, and the conference takes place. Now it is only when that conference has taken place that the ultimate fate of this bill can be determined, and it is only when that conference has taken place that an answer can be given to the question that was asked this afternoon by my hon. friend from Bow River (Mr. Garland), and I think by another hon. member of the House. Therefore the motion that has been placed in your hands, Mr. Speaker, is the first step towards the action which my hon. friend the member for West York desires should be taken.

As I have said the reasons for the government's position are fully set out in the motion in your hands, Mr. Speaker. This afternoon there was some intimation given that this action was not supported by authority. With that statement I join issue, and in support of the position taken by the government I quote Bourinot. At page 444 he says:

> The House of Commons alone has the constitutional right to initiate measures for the imposition of taxes and the expenditure of public money.

Section 53 of the British North America Act says:

> Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.

And further, in the speech with which the Governor General opens and closes every session of parliament, he recognizes the constitutional privileges of the House of Commons with respect to the estimates and supply, for he addresses its members only with respect to these matters. Thus is the position of the government supported by Bourinot. I desire to quote Todd on the same point at page 476. That author in comparing New Zealand and Canadian legislation, proceeds to speak thus:

> But neither the New Zealand nor the Canadian laws can be so construed as to warrant a claim by the upper chambers of either parliament to equal rights in matters of aid and supply to those which are enjoyed and exercised by the Commons House of Parliament of the United Kingdom; for such a claim, if insisted upon, would, to a like extent, derogate from and diminish the constitutional rights of the representative chamber.

And he proceeds further:

> The Victorian Constitution Act, 1865, section 56, and the British North America Act, 1867, section 53, severally declare that bills for appropriating any part of the public revenue—

Not merely Supply bills, but bills for appropriating any part of the public revenue or for imposing any tax or impost, shall originate in the House of Assembly or the House of Commons.

> No further definition of the relative powers of the two houses is ordinarily made by any statute. But constitutional practice goes much farther than this. It justifies the claim of the imperial House of Commons (and by parity of reasoning, of all representative chambers framed after the model of that House), to a general control over public revenue and expenditure, a control which has been authoritatively defined in the following words: All aids and supplies, and aids to His Majesty in parliament, are the sole gift of the Commons, and it is the undoubted and sole right of the Commons to direct, limit and appoint in such bills the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which ought not to be changed or altered by the House of Lords.

And that last statement is recognized as a great parliamentary principle, and it has been adopted practically in all self-governing British parliaments, and it forms part of the standing rules of this House. Rule 78 says:

> All aids and supplies granted to His Majesty by the parliament of Canada, are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the House, as it is the undoubted right of the House to direct, limit, and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants, which are not alterable by the Senate.

Then, Mr. Speaker, I cite further the authority of Redlich. That author at page 119 says:

> All taxes, duties and grants of money, and all measures imposing financial burdens on the people are matters within the sole jurisdiction of the House of Commons;

He further says:

Closely connected with the first of the Commons' rights in money matters is a second, inseparable from it and equally fundamental. They are entitled to order and dispose how the national revenue, whether permanent or annually granted, is to be spent, and to do so in the greatest detail.

Then at page 120 the same author says:

Both income and expenditure are therefore completely and exclusively in the hands of the House of Commons.

At page 122 there is a further declaration:

The crown alone, or to speak more accurately the government alone, has the right to ask for public money for definite purposes or to propose to the House the expenditure in a definite way of moneys already granted.

Some question has arisen as to the character of this measure, and doubt might therefore have been raised in some minds as to whether or not it is a money bill in the proper acceptation of that term. I find in May's Parliamentary Practice, page 574, a definition of a money bill taken from a resolution of the British House of Commons, and as we know this parliament follows British parliamentary practice, I submit that resolution applies with equal force to money bills of this parliament. At page 574, May says:

For the purpose of this resolution a bill shall be considered a money bill if, in the opinion of the Speaker, it contains only provisions dealing with all or any of the following subjects, namely, the imposition, repeal, remission, alteration, or regulation of taxation; charges on the consolidated fund or the provision of money by parliament; supply; the appropriation, control, or regulation of public money; the raising or guarantee of any loan or the repayment thereof: or matters incidental to those subjects or any of them.

So that the definition thus supplied by the resolution of the British House of Commons applies, I submit, to the bill now before the House and further establishes the sole jurisdiction of this House in the matter, and that, Mr. Chairman, I further submit, is an answer to the contention that the sole authority of this House is limited to what are called Supply bills.

Mr. MEIGHEN: Does the minister say the Senate has no right to reject the bill?

Mr. MURPHY: No, I did not say that.

Mr. MEIGHEN: What does the hon. minister mean by 'sole jurisdiction" if the right of rejection rests with anybody?

Mr. MURPHY: To initiate measures for the expenditure of money. Any time this House has accepted an amendment to a money bill, it has always been done under a protest in the name of the Finance Minister of the day. When my hon. friend from West York (Sir Henry Drayton) was Minister of Finance, he did the same thing.

Sir HENRY DRAYTON: In the last two years we have had no such thing.

Mr. MURPHY: We have had a great many of those cases. My hon. friend referred to opinions given by Messrs. Lafleur and Geoffrion regarding the powers of the Senate in relation to such matters as the one we are discussing. He also very fairly stated that there was another opinion given at the same time by an equally eminent gentleman, Mr. John S. Ewart. It occurs to me that Mr. Ewart's opinion is so much in point that the House would like to hear it, inasmuch as while Mr. Ewart was consulted by the Senate at the same time as Messrs. Geoffrion and Lafleur, he differs entirely from these two gentlemen who are both, as the House knows, very eminent legal authorities but who can scarcely be said to be such close students of constitutional affairs as is Mr. Ewart. Mr. Ewart's opinion is contained in these paragraphs:

From the very earliest time, the colonial assemblies have successfully contended for the same privilege with reference to financial bills as that enjoyed by the British House of Commons. The cases in which contention arose are very numerous, but I do not know of any in which the quarrel between the two Houses has resulted in substantial victory for the Council—as, in the earlier constitutions, the second chamber was styled.

A glance at the histories, furnishes me with two instances which may be taken as containing typical assertion of the privilege of the assemblies. The first, of these is noted in Dickerson's American Colonial Government, 1696-1765: The author says (page 160 that, in the time of Governor Cornbury, of New York:—

"The Council sought to amend the revenue bill so as to remove this objection, but it was met by the point blank assertion that the Assembly would permit no amendment of money bills."

The second instance I take from Dr. Kingsford's book, the History of Canada, volume 9, page 217. On that occasion (1818) the Council and Assembly were brought into sharp conflict with the result, as the author says, that:—

"The Council did not conceive an amendment to the money bill as a breach of privilege; but as it was so asserted, the Council would hereafter forebear from all amendment and simply reject any bill submitted to it, should occasion suggest."

Mr. Ewart concludes:

There can be no doubt that the difference between the British House of Lords and the Canadian Senate referred to in the memorandum are of substantial character, but, after all, the two Houses, with reference to the subject under consideration occupy the same position. For the members of neither House are elected by the people, and the privilege of the Assembly with regard to money bills has always been based upon the fact that the House was composed of popularly elected members.

So, I sum up in conclusion that the government in this case has followed the practice that has always been followed in this House; that it has taken the first step by placing the motion that is in your hands be-

fore the House; that that is directly in accordance with parliamentary procedure and practice; that the other steps to which I have alluded will follow automatically, almost as a matter of course if that motion be adopted, and that the conference referred to must take place before it can be known what measure of relief the Home Bank depositors can receive; and finally, that the position taken by the government is fortified by all the recognized parliamentary authorities.

Mr. ROBERT FORKE (Brandon): Mr. Speaker, I am sure it would be presumption on my part to attempt to express an opinion upon the constitutionality of the action taken by the Senate in amending the bill or in creating a new bill in regard to the Home Bank depositors. The House has listened with attention to the remarks made by the Postmaster General, (Mr. Murphy), defining exactly what steps have to be taken in connection with further action that may be undertaken in regard to this matter. I rose only to express this hope that, no matter what takes place, after all the proceedings that have been outlined have been gone on with, should there be any difficulty in getting this bill in its original form or in a form in which this House would accept it without derogating in any way from its dignity, the Home Bank depositors shall not be disappointed. It seems to me that, after what has taken place, it would be not only unjust, but almost cruel, that the thing should fall down now because there is a dispute between the two Houses. Parliament has within its power the means to see to it that what has been promised shall be carried through, and I hope the government will see its way clear before the close of this session, to ensure that, no matter what takes place, the Home Bank depositors shall not be disappointed in the promises that have been made to them.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, I feel indebted myself and I think all of us do to the Postmaster General for his calm and scholarly treatment of the government's position. It was some such statement as that which I asked for from the administration when this resolution was suddenly moved at half past five o'clock this afternoon. A resolution some three pages in length involving six by no means brief pronouncements of constitutional doctrine was moved without any notice by the Acting Minister of Finance (Mr. Robb), and the government wanted it to go to a vote without any statement from themselves, any pronouncement of any kind or any exposition of the grounds on which the resolution rested. When I asked for it, I was told in a word: Here is this flung at you in a second; now get up and vote on it, or if you are not ready to vote, get up and discuss it. This was the consideration which the government felt that the rest of the House were entitled to.

The Senate has amended an important measure of the administration and I admit that the amendments are substantial. I am not criticising the amendments in the main. As the House will recall, when the government's bill was before this chamber, I urged that the principle which appeared to underlie it, if indeed any did, was that of compensation based upon either moral or legal responsibility. I urged that moral responsibility as against a government was equally binding with legal responsibility, but that in my view neither of those existed, and consequently that the principle followed in the bill could not be upheld as a matter of right. I urged, though, that in view of the widespread loss and suffering caused by this financial collapse, a measure of relief dictated by compassion would receive at the hands of this House, in my judgment, a hospitable welcome. Some such view appears to have been taken of the whole transaction by the upper house. It is not within our power to comment upon anything which took place there, to quote any speeches, or in any way to criticize. But it is within my power to call attention to this fact, that the Senate in this matter was unanimous, that the action taken passed with the support of all members of that body.

The bill comes to parliament thus amended, and the government takes the ground that this being a money bill—and I am not disputing that it is a money bill—it is not subject to amendment in any way at all, and that the upper house cannot lay unholy hands upon it; that it must either accept or reject it. The hon. member for West York (Sir Henry Drayton) has shown how utterly inconsistent this is with the reason alleged by the administration for placing this vote in a separate bill in the first place. It was in order that the Senate might enjoy full rights of discussion; that the matter might come before the upper house as before this. These reasons do not amount to very much if the Senate has no power save that of rejection. The whole groundwork collapses; it is smashed by the conduct of the government now.

Now, to the authorities cited by the Postmaster General (Mr. Murphy) I do not take any exception. Nobody disputes that in this parliament all money bills must originate in

the Commons. The Postmaster General upon my question went a little further but he refused to go beyond this sentence, that not only must the origination be here but the direction as well. I do not know to what that direction has reference.

Mr. MURPHY: The money.

Mr. MEIGHEN: That is to say, the destination of it.

Mr. MURPHY: Yes.

Mr. MEIGHEN: In other words, this House alone can decide the destination of it. If I apprehend the Postmaster General's position aright it is this, that the origination of a money bill must be in this House; and with that I agree. And the destination of the money must also be determined here; and therefore the Senate in this particular can make no amendments. The Senate cannot change the destination of the money; that is the contention. Have I correctly stated the hon. member's position?

Mr. MURPHY: The distribution of it.

Mr. MEIGHEN: That is implied in its destination. The Postmaster General, then, in his statement does not deny to the upper house every power of amendment. I thought that was his position and I am pleased to find that I am correct. But he does deny to the Senate any power of amendment which affects the distribution of the money itself. Well, if such is the position of the hon. gentlemen I am afraid he will have to vote against this motion of his government, because the government in its six resolutions challenges not only the right of the Senate to put its finger upon the bill and alter in the least the destination of the money, but it challenges the right of the Senate to alter even the wording of the bill. It challenges the Senate to alter the bill in any regard whatever. It recites in its first paragraph the fact that the Senate has altered the preamble.

Mr. MURPHY: That is not quite correct; the Senate has inserted a preamble where there was none before.

Mr. MEIGHEN: That is right; it has inserted a preamble. The first paragraph of the Senate bill recites the fact that a petition has been presented to the government and the further fact that there is no moral responsibility; and it defines the principle of the bill to be the principle of relief. And the government's resolution declares that because the Senate has done these things this House should vote that the Senate is wrong. Now, the House will take more than a moment to observe that not one of these things affects the destination of the money; not one of them diverts a dollar or a copper; not one of them in any way at all alters the distribution of the money, according to the Postmaster General's exposition of the law, which I am not disputing. The government therefore has no right to ask the House to pronounce in favour of resolution No. 1.

Now I pass to another of these resolutions, No. 3. But before I do so let me make a general reference to the authorities quoted by the Postmaster General; and as I do so I may be permitted to emphasize that I am in complete accord with him as to the jurisdiction of this House and this House alone to originate money bills and to name the destination. Nor will I fall away from the assertion of power contained in rule 78. But let us take up the history of this matter. This house of parliament is not necessarily in the position of the houses referred to in Redlich, as quoted by the hon. gentleman. It may be and it may not be. It is not necessarily in the position of the British House. It may or it may not be. Certainly it is true that neither our Senate nor the Senate of Australia has the powers of the British House of Commons; but it at least is subject to very serious dispute whether the whole power rests in this Commons or in the British House of Commons. Very eminen authorities have differed on this point and I do not feel myself competent to express an opinion upon it. Certainly the reasoning of Messrs. Geoffrion and Lafleur seems more convincing than the reasoning of Mr. Ewart. Mr. Ewart has left out of account the difference in Canada's status from the fact that it is established by the British North America Act and that alone. The British North America Act is our charter and upon that rock rests not only the Commons but the Senate as well. And here in this Dominion, in view of the fact that confederation is a compact which all the provinces came into, the Senate may quite naturally exercise, indeed was given, powers beyond the powers exercised by the Lords of England, because the Senate was looked upon as destined to be the repository of minority rights. The dictum of the Postmaster General is certainly by no means accepted as true, that if you can establish some sole jurisdiction in the Commons of England it follows that such jurisdiction is in the Commons of Canada. I would ask the hon. gentleman to read the opinion which Mr. Geoffrion and Mr. Lafleur expressed in this regard, and I fancy they will at least agree with me that there is room for grave doubt and argument on this point. The British North America Act refers to the matter

in two clauses and two clauses alone. In section 53 quoted in the resolution it is provided:

Bills for appropriating any part of the public revenue, or for imposing any tax or impost, shall originate in the House of Commons.

Therefore on this the Postmaster General is right; no one can dispute that. And section 54 reads:

It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue, or of any tax or impost, to any purpose that has not been first recommended to that House by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

These are the clauses in the British North America Act relating to this question and to them we must appeal. I think it follows from the first, not only that the origination must be here but that, inasmuch as the destiny of the money is itself one of the inherent circumstances of the origination, the Senate may not change the destiny. That would be originating a new vote. The Postmaster General is therefore well advised in restricting his final statement of the law in the manner he has stated it. No one could go any further, and so I state again that this resolution cannot be supported on the statement of law to which the Postmaster General confines himself and rightly confines himself. Let us look at clause 3, which is a most remarkable one.

Because clause (a) added to the bill provides for the appointment of a commissioner and the organization of a lengthy and costly procedure, thereby entailing a large expenditure which the Senate has no right to make a charge upon the public revenues, and which could only be authorized if it had first been recommended by the Governor General in Council and voted by the House of Commons, under sections 53 and 54 of the British North America Act.

This is indeed remarkable. But what does clause (a) declare? Clause (a) of the Senate bill simply provides that the president of the Exchequer Court of Canada shall, on such evidence as seems to him sufficient, dispose of this money, first, to all who have deposits of $500 or under, and secondly, to such others as the necessities of relief demand that they should receive something.

Mr. VIEN: Does the hon. member think that an investigation by an Exchequer court judge into 47,000 cases will entail no expenditure of money?

Mr. MEIGHEN: Forty-seven thousand cases? After the five hundred dollar cases there are only a few to be dealt with. There is nothing whatever in the act that would prevent the Exchequer court judge, sitting right in his office here in Ottawa, having everyone come to him and testify, or receiving by affidavit all the evidence he would need to act upon. I do not say that that is what he would do; he would probably go around —there would likely be expense; that is quite true; but you cannot assume it, and you must be forced to assume it before this clause 3 can stand. In a word, there is nothing in the bill itself which makes absolutely compulsory the expenditure of a single dollar.

Mr. MURPHY: My right hon. friend will observe that the president of the Exchequer court is to act personally, and not as a judge of that court.

Mr. MEIGHEN: Very good; that does not affect my point.

Mr. MURPHY: As to expense?

Mr. MEIGHEN: He cannot under the law get any money.

Mr. CANNON: What about additional expense?

Mr. MEIGHEN: There is nothing in this about additional expense.

Mr. CANNON: How can he do the work otherwise?

Mr. MEIGHEN: I am not arguing that he will not do it, but there must be something in the law which compels him to do it before this objection can lie. There is nothing whatever in the statute.

Mr. VIEN: Is it not a necessary incident?

Mr. MEIGHEN: No; he can do the whole thing for charity.

Mr. CANNON: My right hon. friend's other argument was much stronger than the last.

Mr. MEIGHEN: The other argument was impregnable, and this is impregnable too. If the hon. gentleman feels I am wrong in this, there are precedents he can follow.

Mr. CANNON: I should not like to say my right hon. friend is wrong, but he certainly is not right.

Mr. MEIGHEN: Well, in my eventful life I have always been content with that degree of rectitude which keeps me always not wrong. I can refer my hon. friend from Dorchester (Mr. Cannon) to authorities on this very point, authorities for whom he has the highest regard himself, who agree with every word I say. The bill must necessarily impose a charge before this objection can lie.

Now, what are these other exceptions that have struck the conscience of the government so badly? It says:

Because it is provided by clause 7 of the said bill as passed by the House of Commons that "the Governor in Council may raise by way of loan, temporary or otherwise, upon such form of security and upon such terms and conditions as the Governor in Council may approve, such sum or sums of money as are required for the purpose of making the payment authorized by this act, and any sum so raised shall form part of the consolidated revenue fund," and the raising of any loan as a charge upon the consolidated revenue fund is the undoubted and sole privilege of the Commons.

Well, will hon. gentlemen believe that this clause to which the government takes such violent objections is in its own bill untouched, unchallenged in any particular? The Senate has not dotted an I or crossed a T. Apparently it is the opinion of the government that before the Senate could come with virtuous hands, it should have deleted the government's own clause! Can the government ask the House to vote for a resolution such as this? How scrupulous, how virtuous it has become all of a sudden! Hon. gentlemen will remember bill after bill—money bills in exactly the same sense that this is a money bill—altered by the Senate, substantially altered in vital clauses, but with never a word of protest, no resolution thrust upon the House without a second's notice, no resolution at all; in a word, the government accepted those alterations. Strange indeed that when we come to the Home Bank measure it should be selected as the ground upon which a great constitutional battle is going to be fought before the government will venture another step in the path of relief of the depositors.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, since coming into the chamber this evening there has been handed to me a letter which in itself is of considerable importance as indicating the point of view which those most interested in this measure are likely to take. It is also of special value as illustrating wherein the course which the government is now proposing, of conferring with the Senate on this matter, is the course which the public generally, and more particularly those who are especially interested in the enactment of some measure of relief, will expect the government to take. It also, I think, serves to illustrate wherein the government from the outset has adopted the correct procedure in dealing with this matter. The letter bears the letterhead of the president of the Trades and Labour Congress of Canada. It is dated Ottawa, June 23, 1923, and is signed by Tom Moore, president of the Trades and Labour Congress of Canada, L. L. Peltier, legislative representative of the Order of Railway Conductors, Byron Baker, legislative representative of the Brotherhood of Locomotive Engineers, W. L. Best, legislative representative of the Brotherhood of Locomotive Firemen and Engineers and T. J. Coughlin, legislative representative of the Brotherhood of Railway Trainmen. The letter is addressed to myself, and is as follows:

Dear Sir,—

We, the undersigned, desire to bring to your notice the dissatisfaction with which the Senate bill dealing with the affairs of the Home Bank has been received by the members of the organizations which we represent. By its amendments, the Senate has completely changed the purpose and amount of relief to be granted to depositors, as contained in Bill No. 182 passed by the House of Commons, and which measure met with general approval.

Under the bill, as now amended, the preamble is so altered as to make any payment an act of charity on the part of the government rather than an act of justice to those who were misled into leaving their deposits in the Home Bank, through their belief in the efficiency of the protection offered by government supervision of chartered banks.

Further, the need of a person for relief is arbitrarily fixed by the amount of the deposit in the setting of $500 as the sum on which 35 per cent of such deposit shall be paid merely upon application. Others in actual need will find it necessary, if the Senate bill is accepted, to disclose all of their private affairs in order to obtain simple justice and finding it necessary to engage legal aid will, we fear, in many cases, have very little of their savings in their own hands at the finish.

Then again, municipal councils, fraternal societies, churches and labour unions are debarred from participation even though these deposits actually represent, in most cases, the mutual investment of people without wealth. Presumably this is also based upon the premise that relief to the depositors is an act of charity.

All of this we respectfully submit is wrong and without entering, at this time, into lengthy arguments in support of this statement, desire to point out that it is corroborated by the findings of the commissioners appointed to investigate this whole matter and on whose report the bill passed by the House of Commons was based.

We, therefore, earnestly urge your government to maintain the principle of equal compensation to all depositors (irrespective of the amount or character of the deposit) and the payment of such compensation as an act of justice and not as an act of charity.

If this is impossible of accomplishment in harmony with the Senate, then we would suggest that the will of the peoples' elected representatives be given effect by placing the sum of $5,450,000 in the supplementary estimates to be distributed in accordance with the terms embodied in Bill No. 182, as passed by the House of Commons on June 10, 1925.

With respect to the suggestion that an amount should be placed in the estimates, may I point out to the House that so far as hon. gentlemen opposite are concerned the depositors of the Home Bank would be in exactly the same position as they will be under this bill as amended by the Senate. The bill in its amended form, as this letter from the president of the Trades and Labour Congress and other labour representatives indicates,

takes away relief entirely on the ground of moral right, and substitutes relief solely on compassionate grounds, which is the ground being urged by hon. gentlemen opposite. Now, that ground is just as applicable whether the money is paid out under an estimate passed by this House, or paid out under the provisions of a bill which has been approved by both houses of parliament. In each case exactly the same arguments apply. If depositors who are entitled to more than $500 can be paid under the bill as originally introduced by the government, and not under the bill as amended, neither will it be possible to pay them, according to the point of view of hon. gentlemen opposite, from any estimate that may be brought into this House. Were an estimate brought in for the amount of $5,450,000, which is the amount named in the bill, the right hon. leader of the opposition would be obliged, in accordance with the position which he and his party have taken, to move that that estimate be cut down to the amount mentioned in the bill as it now comes to us from the Senate. He would be obliged to move that all consideration of municipal councils, fraternal societies, churches, labour unions, and so on, be struck out. He would be obliged to take the position, as I have already indicated, that any persons entitled to more than $500 in the way of relief should not be given that relief.

Mr. HOCKEN: Try it that way.

Mr. MACKENZIE KING: My hon. friend says, "try it." I am presenting an argument to the House of Commons; I am presenting the reason for the position the government has taken from the outset.

Mr. BOYS: I do not think the Prime Minister is quite fair to this party. I only speak for myself, but he has no right to couple me with what he has said. Personally I am in favour of relief for the depositors of the Home Bank, and I have so expressed myself on many occasions. If this House wants to be in control of it, let the amount be put in the estimates, and we shall have no trouble with the Senate. I am prepared to support it. I rise to make these few remarks now, because unfortunately I was away on the previous occasion when the vote came on. There are a great many depositors of the Home Bank in my riding—not the riding as it will be under the redistribution, but the riding I at present represent.

Some hon. MEMBERS: Order.

[Mr. Mackenzie King.]

Mr. BOYS: Well, I am only going to be a moment. There are 2,900 of these depositors in my riding, representing deposits in three branches of the bank and covering an aggregate amount, I understand, of over $600,000. Many of these are very needy cases. It is my keen desire to support any proposal for their relief, and if the government sincerely and honestly want to put through a measure of relief, let the bill with the Senate amendments go by the board, bring in an estimate, and put it through the House, and so far as I am concerned I will vote for it.

Mr. MACKENZIE KING: I can only say it is unfortunate that my hon. friend (Mr. Boys) was not here to differ from those of his own party when the matter was discussed before. The position taken by the right hon. leader of the opposition to-night in this debate—

Mr. MEIGHEN: The right hon. gentleman might be a little fairer. I stated distinctly when I spoke on this measure before that I favoured relief on the basis of compensation and that in that I was sorry I could not represent the party as a party, that I spoke for myself. I made that very plain.

Mr. MACKENZIE KING: A good many of my hon. friends opposite spoke at the same time, including the hon. member for West York, the ex-Minister of Finance (Sir Henry Drayton) who took precisely the same line that my right hon. friend took at the time and which he has taken again to-night. That is the position taken by his friends in the other House.

Mr. BOYS: Many of our members supported the bill.

Mr. MEIGHEN: And by the right hon. gentleman's friends in the other House, too.

Mr. MACKENZIE KING: Order, please. My right hon. friend has had his opportunity to speak.

Mr. MEIGHEN: Well, be correct.

Mr. MACKENZIE KING: I want to repeat that the government in this matter acted in accordance, first of all, with the finding of the royal commission; in the second place, it acted in accordance with the recommendation of the Banking and Commerce committee, and in the third place it acted in accordance with the unanimous report of this House of Commons, which hon. gentlemen opposite, along with other hon. members of this House approved and which declared that there was a moral claim, a claim in equity,

in respect to those who had lost their deposits as the result of the Home Bank disaster. It was solely on that basis that the bill was brought in. I contend that if a bill had been brought in on any other basis hon. gentlemen opposite would have had ample ground to criticize the administration for having appointed a commission, for having referred the commission's report to a committee of the House, for having taken a vote of the House on the report of the committee, with the result that it was endorsed by the House, and having then failed to act on this authority, which was constitutional in every particular.

Mr. STEWART (Leeds): Will the right hon. gentleman allow me a question? Does the Acting Minister of Finance (Mr. Robb) admit that there was a moral claim?

Mr. MACKENZIE KING: Well, the Acting Minister of Finance was in his seat, I think, at the time the resolution passed this House, and voted for it. At any rate, the government speaks as one; the position of the government is that there is a moral claim and a bill has been brought in on that basis. I venture to say that the Acting Minister of Finance does take the same position; so far as I am aware, he has never differed in any particular from any of his colleagues on this matter. Certainly it would be extraordinary if the government brought in a bill, through one of its members, for which the government as a whole was not prepared to take the full responsibility.

Mr. STEWART (Leeds): It would not be extraordinary for this government.

Mr. MACKENZIE KING: That is not an extraordinary remark from my hon. friend. With regard to the action which the House is called upon to take at the moment, may I say that all the House is being asked by the motion is to express either its concurrence or its non-concurrence in the amendments which the Senate has proposed to the bill. The course which the government has taken in that regard, as has been explained two or three times to-day, is the proper constitutional course of proceeding. On two or three occasions this session bills have come to this House from the Senate, amended in a manner not satisfactory to the House. In such cases the minister in charge has outlined in the form of a written statement the reasons why the amendments as presented were not satisfactory to the government. Hon. gentlemen opposite will recall that only a few evenings ago a measure of that character relating to some phase of agriculture came to this House. The Minister of Agriculture (Mr. Motherwell) was not in his seat at that time, and in order that time might be saved, that this House might discover without delay whether or not the Senate was prepared to alter its decision in virtue of the reasons advanced, I read to the House myself the reasons which the Minister of Agriculture had outlined in the statement to be presented to their honours of the Senate. These reasons went to the Senate without discussion, the members of the Senate examined them and accepted the advice or suggestions of the Commons, so that the further step of a conference was not necessary. The government in this matter has proceeded in precisely the same way. My right hon. friend the leader of the opposition has no reason to say that there was any discourtesy to him or to any member of the House when the Acting Minister of Finance presented a carefully drafted statement intended for their honours in the Senate, and which set out fully the reasons why the government could not concur in the amendments which were made. It is true that the Acting Minister of Finance did not himself read the reasons; he left it to his honour the Speaker to read them. But as I interpreted his action at the time, it was simply to save the time that would be involved in reading the reasons over twice in succession. That was the sole reason why the Acting Minister of Finance did not read them himself, but the procedure in every particular is precisely that which is adopted when the Commons is unable to agree to amendments proposed by the Senate. As I have said, the purpose of the government in sending these reasons to the other chamber is that members of that House may have an opportunity to consider carefully the point of view of the Commons in this matter. Having had that opportunity the Senate will intimate to us what their action is likely to be. My hope would be that the Senate would find it possible to make a change in the amendments which they have proposed. Some they may not wish to change; others they may find good reason to change. At any rate, it is not for this House to say what the further step shall be until we receive word back from the Senate as to whether they agree with our reasons here.

Mr. GOOD: Can the Prime Minister give us any idea when we shall likely have word back from the Senate in regard to this matter?

Mr. MACKENZIE KING: Well, the Senate is moving with a good deal of rapidity these days. Hon. members of the Senate

seem to be getting through a greal deal of work, and I have every reason to believe they will wish to meet the desires of all concerned by acting in this matter promptly. I see no reason why we should not get back word from the Senate within a very few hours after they have had had an opportunity of studying this matter.

Let me make one thing perfectly plain: There is no desire on the part of the government in any way to have this matter shelved. Let me make it clear that the government intends to stay here and see that as much as possible is secured to the Home Bank depositors as it is possible to obtain in a constitutional way, and if the Senate is slow in returning an answer, we will be here awaiting that answer until it comes. There is no effort on the part of the administration to have this matter delayed. The references which have been made to a constitutional conference, are all beside the mark. It is important the government should place its position clearly on record. It may well be that the conference that will take place between members of this House and members of the Senate, should such a conference be held in further discussion of the reasons alleged here for not accepting the amendments, will not enter into a full discussion of the constitutional relations of the two Houses, but it may nevertheless be sufficient to decide what is the answer with respect to this measure. It is important, however, that the government's position should be clearly stated and of record for all time in the future.

Mr. BOYS: Assuming the motion carries and a conference results with representatives of the Senate, which conference proves abortive, will the Prime Minister favour the inclusion in further supplementary estimates of the item of $5,400,000?

Mr. MACKENZIE KING: My hon. friend is trying to rush matters unduly. This present motion is not for a conference. It is for the purpose of asking their honours of the Senate to consider the reasoned arguments of this House as to why the amendments which they have proposed should not be inserted in the bill. I submit it would be a discourtesy to the Senate, to say nothing else, for this House to assume for one moment that their honours of the Senate will not accept this reasoned statement in the spirit in which it is being sent to them. At any rate, I do not propose to pass judgment on the Senate's attitude in this matter until the proper time comes for so doing.

Mr. BOYS: I asked the Prime Minister to indicate his own view, if he would.

Mr. MACKENZIE KING: I am indicating the view of the government with regard to this matter and that, I think, should be sufficient for my hon. friend.

I just wished to make one further reference which I unfortunately omitted the other day to make. The hon. member for West York (Sir Henry Drayton) intimated that the leader of the government in the Senate, so I understood him to say, accepted the Senate's point of view in regard to this matter.

Mr. BOYS: He moved the third reading.

Mr. MACKENZIE KING: If there is any impression of that kind, I would ask hon. members to refer themselves to the debates in the Senate, which I am precluded from referring to here, and they will find that the leader of the government in the Senate distinctly stated—

Mr. MEIGHEN: I rise to a point of order. This is distinctly out of order. It is all right to refer hon. members to the Senate records; I am not objecting to that, but reading from the Senate records is so distinctly out of order that I am surprised the Prime Minister would think of doing it.

Mr. MACKENZIE KING: My right hon. friend was particularly careful not to correct his colleague when he reflected on the leader of the government in the Senate. I am quite prepared to leave to the House his omission to correct his colleague for the reflection he made on the leader of the government in the Senate, and the present attitude of the right hon. gentleman in not permitting me to state the position of the government accurately, as it should be stated.

Hon. HUGH GUTHRIE (South Wellington): Might I be permitted to say a word before the debate closes? I have listened to it with very deep interest, and I have come to the conclusion that there is not a very great difference of opinion between the view taken by the government in regard to this matter and the view which is taken on this side of the House. The trouble, I think, has arisen largely from the manner in which the government has brought the matter before the House. Certainly an important question such as the present one should not be brought in without a moment's notice, and with an insistence upon the part of the Acting Minister of Finance (Mr. Robb) that the matter must go on without time for consideration or re-

flection, that we must either accept or reject the motion as it is presented to us.

One has only to read this resolution to conclude that it is a serious declaration of constitutional right on the part of this House by the government of the day, and I think I am quite within the mark when I say that there are questions raised in this resolution which call for the most careful consideration by the ablest lawyers in the House before a satisfactory conclusion could be reached as to the propriety of the resolution.

10 p.m. The objection taken by my right hon. leader to the resolution is that it goes too far as a declaration of constitutional right.

There are three specific allegations in this resolution to which my right hon. leader takes exception, and I think he is on solid ground in the exception which he takes. On the real issue before us there seems to be no difference of opinion. The real question is, has the Senate power either to originate or amend a money bill of this House by changing the destiny of the appropriation? I think it is clear beyond question that the Senate has not that power. So we are agreed on the main point. Therefore, why hamper the resolution by dragging in three very doubtful assertions of right?

First, it is said that the Senate has no power to amend the preamble or to insert a preamble. I do not know upon what ground that claim is asserted. There is nothing in section 53 of the British North America Act to say the Senate has no such power. There is nothing in rule 78 of this House to say the Senate has no such power, and our whole authority in this matter is derived from section 53 of the British North America Act and rule 78 of this House. That is the first objection: We are asserting a right, and a very doubtful right, to say the least.

Mr. CANNON: But the Senate by adding a preamble to the bill may include a new principle altogether.

Mr. GUTHRIE: There may be something in that argument, but the preamble of the bill is not the enacting clause of the bill. It may be an explanatory clause of the bill, I agree, but there is nothing in the rules of this House and nothing in the British North America Act to say the Senate may not amend the preamble of a bill. It may not change the destination of a grant, nor can it originate the grant.

Mr. VIEN: Yet it did in this bill.

Mr. GUTHRIE: In so far as it did, I say its action is beyond its power, and my right hon. leader agrees with me in that.

Mr. MURPHY: Will my hon. friend allow me to draw his attention to the fact that the resolution—I have not a copy of it before me and I am speaking from recollection—does not take exception to the insertion of the preamble, but rather to what the preamble recites, purporting to speak both on behalf of the government and on behalf of the House of Commons.

Mr. GUTHRIE: It certainly raises the question whether the Senate is right in doing what it has done. I think it is a point which may well be argued in favour of the Senate, but it is unnecessary, in order to obtain our purpose, to make any assertion of that right at the present time.

In the second place, it is said that because the Senate has directed a commission to enquire—

Mr. STEWART (Argenteuil): Might I ask my hon. friend a question on a point as to which I am not quite clear? He argues that the Senate cannot affect the destiny of a money vote. Is it not a fact that by its amendments the Senate has cut off some of the beneficiaries under the legislation as it passed this House, and therefore has affected the destiny of the grant?

Mr. GUTHRIE: I agree that that is a rejection of part of the vote of this House, and the Senate has gone beyond its power in so doing.

On the second point, my right hon. leader says that the provision in the Senate's amendment for the payment of a commission to distribute the money is not necessarily a charge upon the exchequer of this country, and does not create a tax or impost. In that I think he is technically right. Then why seek to assert, as this resolution does, that the Senate has done wrong in that? I want to make myself clear on that. There is never a public bill brought into this House that does not entail some expense in carrying it out. During my time in the House again and again, it has been said by Mr. Speaker that where the bill is not one to impose a tax, or create a loan, or expend money, the mere consequential expenditure in the administration of the bill does not necessitate its going before His Excellency for consent before being introduced to this House. This at most could be but a consequential expense. It is not a tax or impost. Why assert it as a right?

Why the unnecessary assertion of it in this resolution? The first objection is that the resolution says that section 7 of the Senate bill has authorized something which it has no right to authorize; but section 7 of the Senate bill and section 6 of the House of Commons bill are identical, word for word. The Senate cannot have transgressed its right in that respect. My suggestion is that these three unnecessary or improper assertions of right should be withdrawn from the resolution. We are agreed on the main point; we agree that the Senate has gone beyond its power in regard to the amendment of a money bill. On the vital question there is no dispute. Why not let our representation be unanimous and withdraw—

Mr. POWER: Is my hon. friend speaking for all the members on his side of the House?

Mr. GUTHRIE: No, I cannot speak for anyone except myself. I do not think in the riding which I have the honour to represent there is a single depositor or stockholder in the Home Bank, but I am heartily in favour of the bill and want to see it passed. I was not here when it was brought into the House originally, but I desire that the bill as passed in this House become law, and why not let us agree on the method of procedure by dropping what is not essential and is doubtful?

Mr. POWER: Will my hon. friend's leader agree to what he says? He had better canvass his own leader before canvassing us.

Mr. GUTHRIE: If the three matters raised by my right hon. friend were deleted from the motion, I think he would accept the balance, as he stated in his speech a few minutes ago, and that is the course which I ask the government to pursue.

Mr. STEWART (Leeds): The question I asked the Prime Minister was based on statements which I found in Hansard of June 8, at page 3961, as follows:

Sir Henry Drayton: No, the wealthy man and the poor man.

Mr. Robb: The wealthy man and the poor man—if it is a moral claim, how are we going to differentiate between those two?

Mr. Meighen: Does the minister himself think there is a moral claim against the country?

Mr. Robb: I am dealing now with the report of the Banking and Commerce committee, which was unanimously concurred in by this House.

Mr. Meighen: We will discuss that later. But will the minister answer me directly: does he himself consider there is a moral claim against this country?

Mr. Robb: I am not debating that question. I was a member of the Banking and Commerce committee. In this country majorities are supposed to rule. We are carrying out in this respect the views of parliament.

[Mr. Guthrie.]

So that if the Acting Finance Minister was in favour of the depositors, or recognized a moral claim by them, he was very careful to conceal it in the answer he gave.

Mr. WILLIAM IRVINE (East Calgary): The Senate in amending the bill for the relief of the Home Bank depositors has altered the principle of the bill. The government has declared its policy in the resolution before the House in respect to the amendment which the Senate has made. We have been treated to a discussion on some very fine points of constitutional law, and I am sure the House has been both instructed and interested. We are very much indebted to the hon. gentlemen who have enlightened us in this matter, but after all the most important point before us is not one of constitutional law. The most important matter is the Home Bank depositors. To be or not to be is the real question, and the point that I want very briefly to place before the government is this: What will be the outcome of the present policy of the government so far as the reimbursement of the Home Bank depositors is concerned? Let us follow it up. What could possibly come from the course which is being pursued? Suppose for instance that the Senate refuses to budge from the position it has taken? In that case, it appears to me that it would be difficult for the government to accept the bill in its present form, in view of its declared policy in the resolution which is before us. Indeed, I do not see how the government could accept the amendment of the Senate. I think the government has a decidedly clear issue, and has a right to make a protest, but what is going to be the result so far as the Home Bank depositors are concerned? Let us take the next alternative. Suppose the Senate apologize to parliament for having altered the principle of the bill, ask us to put the bill back again in its original form and agree to consider it. Suppose they consider it and then throw it out. Still we have nothing for the Home Bank depositors. So that I cannot see anything but disaster in the course that is being followed. I agree of course that it is constitutional, and I agree that it is the proper practice, but the proper practice is not bringing any money to the Home Bank depositors. The proper practice will not buy shoes for the babies of Home Bank depositors, and that is the issue that is before us.

I want to press further on the government the suggestion which has been made by one or two hon. members who have preceded me

in this discussion, that the government will give some assurance to parliament that, regardless of the outcome of their negotiations with the Senate, they will see to it that the will of parliament is carried out, and I suppose the only way that can be done is for the government to assure us that if the Senate refuses to pass the bill in the form in which it was presented to them by this House the government will include the amount required in the supplementary estimates. So far the government has not made its position clear in regard to that point, and that is the point I am interested in. I believe that the Senate did alter the principle of the bill. It changed it from moral rights to compassionate grounds, but I think also the government invited that action on the part of the Senate because, while the government based the claim upon moral grounds, the bill in that it provided only partial reimbursement virtually indicated that parliament could only be moral to a certain percentage. If there was a moral claim it should have been sustained one hundred per cent. As it was the Senate, taking their cue from that weakness in the bill, proceeded on compassionate grounds and prescribed the disbursement of the funds provided for accordingly.

I would urge once more that the Prime Minister tell parliament first if it is within the power of the government to put this amount in the supplementary estimates, providing that the Senate refuse to pass the bill, and if it is proper for them to do that, whether the government will take that action. I urge the Prime Minister to give us an answer to that question.

Mr. MEIGHEN: I rise to a question of privilege. It refers to one statement of the hon. member for South Wellington (Mr. Guthrie). I said that the Senate had not any right to change the destiny of a money vote. To that I adhere. I did not go so far as to say that in any money bill, not a finance bill, the Senate had not the right to reject a part directed to a special destination. On that point I expressed no opinion.

Mr. IRVINE: I should like to get an answer from the Prime Minister

Mr. MACKENZIE KING: I have already intimated the position of the government on this matter.

Mr. H. C. McKILLOP (West Elgin): Mr. Speaker, the Prime Minister in his address this evening referred to the members of the opposition as all being against the reimbursement of the Home Bank depositors.

Mr. MACKENZIE KING: I never made any statement, nor any suggestion of that kind.

Mr. McKILLOP: I understood the Prime Minister to make that statement including all the members of the opposition. What I really rose to do was to say that on the evening of May 13, 1924, I made this statement in the House concerning the Home Bank depositors and I wish to put in on record:

> I think the depositors should be reimbursed to the full extent of their losses, and I for one will support any measure brought forward in this House with that end in view.

Those are the words which I uttered that evening and I am still ready to maintain that position. It is the only satisfactory way in which settlement can be made with the depositors of the Home Bank.

Mr. W. F. MACLEAN (South York): Mr. Speaker, all I have to say on this question is that, inasmuch as I have already voted in this House in favour of some compensation being paid to the depositors in the Home Bank, I must vote for the motion now before the House in order to preserve a consistent position. I can criticize the action of the government from many angles; but in a case of urgency at the present time, I am bound to stand by what I said in this House by my previous vote. I am in favour of compensation, compassionate, if you like to call it that, to the depositors in the Home Bank. Therefore, I am compelled and it is my duty, in view of what I did before, to vote in favour of the motion now before the House, no matter what the consequences may be, and if the consequences are to the injury of the government or of the depositors, the government must take the responsibility.

Mr. T. L. CHURCH (North Toronto): Mr. Speaker, coming from the city of Toronto where there is so much suffering because of the wreck of this bank, I have been a most consistent supporter all along of the case of the depositors and I have never faltered. I wish to dissociate myself from what the Prime Minister has said about the attitude of members of the opposition in this House. I will support the government in getting the depositors immediate relief, and if the steps which we are about to take in regard to the action of the Senate in this matter do not succeed, if the government will put the sum in a supplementary estimate. they will have my hearty support and active co-operation, and I believe also the active support of the other members from the city of Toronto.

Mr. GOOD: May I ask the Prime Minister if it would not be worth while to amend the resolution as the hon. member for South Wellington (Mr. Guthrie) has suggested, so as to secure the unanimous approval of the House?

Mr. MACKENZIE KING: I do not think it would be worth while. As a matter of fact, one argument may appeal to hon. gentlemen of the other house and another argument may not. Because the government cites four, five or six reasons, it does not necesarily follow that hon. gentlemen of the Senate will have to agree to all of them. We are allowed to cite as many reasons as we wish in the hope that out of five or six, the Senate will see the wisdom or justice of two or three.

Mr. MEIGHEN: It follows that everyone who votes for this resolution must agree with all of them.

Mr. MACKENZIE KING: No. All the House is asked to do is to say that it does not concur in the Senate amendments. Those who concur in the amendments vote against the motion. those who do not concur in them, vote for it.

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

YEAS

Messieurs:

Archambault,
Bancroft,
Béland,
Benoit,
Binette,
Bird,
Black (Yukon),
Boivin,
Bouchard,
Brethen,
Brown,
Campbell,
Cannon,
Cardin,
Carruthers,
Casgrain,
Chevrier,
Church,
Coote,
Copp,
Crerar,
Davies,
Deslisle,
Denis (St. Denis),
Desaulniers,
Descoteaux,
Desrochers,
Elliott (Dundas),
Elliott (Waterloo),
Evans,
Fafard,
Fansher,
Findlay,
Fiset (Sir Eugene),
Fontaine,
Forke,
Forrester,
Fournier,
Gardiner,
Garland (Bow River),
Gendron,
Gervais,
Good,
Gordon,
Gould,
Graham,
Halbert,
Hammell,
Hanna,
Healy,
Hocken,
Hodgins,
Hoey,
Hopkins,
Hubbs,
Hughes,
Humphrey,
Irvine,
Jacobs,
Jelliff,
Johnston,
Kennedy (Edmonton),
Kennedy (Port Arthur & Kenora),
King (Huron),
King, Mackenzie (York),
Lapierre,
Lapointe,
Leader,
Lewis,
Lovie,
Low,
Lucas,
MacLean (Prince, P.E.I.),
Maclean (York),
Macphail (Miss),
McBride,
McConica,
McIsaac,
McKay,
McKillop,
McMaster,
McMurray,
McTaggart,
Malcolm,
Marler,
Michaud,,
Millar,
Milne,
Morin,
Morrison,
Motherwell,
Murphy,
Neill,
Ouimet,
Papineau,
Parent,
Pelletier,
Pouliot,
Prevost,
Rankin,
Raymond,
Reed,
Rinfret,
Robb,
Roberge,
Robichaud,
Robinson,
Robitaille,
Ross (Simcoe),
St. Père,
Sales,
Savard,
Séguin,
Sexsmith,
Shaw,
Sheard,
Sinclair (Oxford),
Sinclair (Queens, P.E.I.),
Speakman,
Spence,
Spencer,
Steedsman,
Stewart (Argenteuil),
Stewart (Humboldt),
Thurston,
Tobin,
Vien,
Wallace,
Ward,
White,
Woodsworth.—131.

NAYS

Messieurs:

Anderson,
Bowen,
Caldwell,
Carmichael,
Chaplin,
Charters,
Kennedy (Glengarry & Stormont),
MacLaren,
Manion,
Maybee,
Meighen,
Preston,
Ryckman,
Senn,
Simpson,
Stewart (Hamilton),
Stewart (Leeds),
Stirling,
Sutherland.—19.

Mr. ROSS (Kingston): I was paired with the hon. member for Pictou (Mr. Macdonald). Had I voted I would have voted against the resolution.

Mr. BEAUBIEN: I was paired with the Minister without Portfolio (Mr. McGiverin) Had I voted I would have voted for the resolution.

Mr. BRISTOL: As I am a depositor and therefore an interested person I did not consider that I should vote.

AUSTRALIAN TREATY

The House resumed, from June 22, consideration in committee of the resolution respecting trade relations with Australia—Hon. Mr. Robb—Mr. Gordon in the chair.

Mr. MANION: I listened to the previous debate on this resolution for four hours or thereabouts, and I was as I still am of the impression that it is very regrettable that such an important measure as this should be introduced at this late date, when one feels that

he is imposing on the good nature of the House in attempting to discuss the subject. Yet this is a resolution that should be thoroughly considered from every angle if we desire to do it justice. I regret also that the government in bringing down the resolution found it necessary to change its original proposition in which the understanding was that in compensation for reductions in the tariff on agricultural products from Australia we were to have some increase in the tariff on agricultural products from other countries, particularly from the United States. It is apparent that in this regard we are adding to the burden of competition which the farmers at present have to bear. It must be remembered that in the past year we imported into this country $150,000,000 worth of agricultural products which could have been produced on the farms of Canada. I made that statement on another occasion some time ago and it was criticized by the hon. member for Lisgar (Mr. Brown), who said that I was including such articles as pineapples, bananas and things of that sort. I wish to correct the hon. gentleman now, without going further out of my way. This $150,000,000 represents imports of produce which could have been grown on the farms of Canada.

As I believe in protection all round for all classes of our producers, I naturally believe in protection for the farmer as well as for the manufacturer; and that being the case I am entirely in sympathy with my hon. friend (Mr. Sutherland) who expressed the views of the farmers of his constituency in Ontario as well as with the hon. member for Yale (Mr. Stirling), who gave us the opinion of the farmers of British Columbia on this subject. I cannot however help remembering that the pulp and paper business is one of the great industries of this Dominion. Last year this industry exported the vast sum of $142,000,000 worth of products, and of the total production only ten per cent was consumed in the domestic market. I would point out that this export of $142,000,000 compares favourably with the export of any other class of goods from this country. For example, a few minutes ago I looked up the exports of wheat, which perhaps is the largest individual export from Canada, and I find that in 1924 we shipped out $267,000,000 worth of this commodity, or a little over $100,000,000 more than we did of pulp and paper. This past year however the exports of wheat had fallen to $235,000,000. I mention these figures merely for the purpose of indicating the importance of this immense industry, which calls for as much attention as any other line of endeavour in Canada. And I cannot forget that I come from a section of the Dominion, northern Ontario, which constitutes an empire in itself. Its area is greater than that of any of the three western provinces; at least it is equal to any one of them. Indeed, so extensive is its area that its width from east to west is nearly equal to the width of any two of the prairie provinces together. Unfortunately however it forms a large gap between the east and the west and this is a handicap in many directions of our national life. One of our railway difficulties in Canada is due to this very fact that we have 700 miles of territory in width, covering some three and a half million square miles in area, with a population of only 150,000 or so. This forms a very serious gap between east and west not only to the disadvantage of the railways but to the disadvantage of our national life as well. In that northern section of Ontario the pulp and paper industry to-day is probably the most important of our activities. The industry supplies the railways of that section of the country with a large proportion of their business. I think, too, of the great development of our hydro-electric energy in northern Ontario which is used to a considerable extent by the pulp and paper industry. The pulp and paper industry being of so much importance to that part of the country, which is still more or less undeveloped, I feel it my duty, in loyalty to that section of northern Ontario, to support this proposition.

I should like to point out a few other reasons which I think are worthy of consideration. In the next parliament, if I were handling the affairs of the country, and if I had put into force a treaty such as this with the Commonwealth of Australia, it would be my endeavour to protect the farmers of Ontario, Quebec, British Columbia and the Maritime provinces by raising the tariffs against the United States and all other countries, but leaving the Australian treaty in force. By doing that I would accomplish two things, I would not only bring about a species of assistance to the farmers mentioned by putting out the competition of foreign countries, but I would enhance to Australia the value of her treaty with us. So I wish to submit to my hon. friend the Acting Minister of Finance that if by any piece of good fortune or good luck it happens that next session he is still looking after the finances of the country—

Mr. ROBB: You think it will be good luck?

Mr. MANION: I certainly think it will be good luck for him if he should happen to be Minister of Finance at this time next year. But should he be serving the Dominion in

that capacity, I submit to him that in justice to the farmers of the sections I have mentioned particularly—and of course, I also include those farmers who produce dairy products in the prairie provinces—he should, when he brings in his budget give to our farmers that type of protection which some of the other lines of production in this country already enjoy.

There is another reason why I feel there is no particular danger to be feared from this agreement. As set out in the orders of the day I find clause 5 provides:

> That the Governor in Council may make such orders and regulations as are deemed necessary to carry out the provisions and intent of this resolution and of the said agreement and may, upon giving six months' notice to the government of the Commonwealth of Australia of his intention so to do, order and direct that the tariff concessions extended to Australia by this resolution, shall cease and determine, whereupon they shall cease and determine accordingly;

An agreement which can be cancelled on six months' notice is to my mind not of such a character, in view of the other advantages it gives to this country, as to cause me to vote against it.

There is a further reason that makes the agreement appeal to me—Australia is one of the dominions of the empire. I do not believe that as a rule it is good practice to introduce sentiment into trade arrangements, and usually countries deal with each other on an absolutely business basis, which, generally speaking, is the only basis. At the same time we cannot forget that during the war Australians fought side by side with their brothers from this dominion, and certainly there is a feeling of affection in our hearts for the Australian people, a feeling which is reciprocated by them. Therefore I say that is another reason why we should give favourable consideration to this treaty. I think the minister said that we sell to Australia eighteen or nineteen times as much as they sell to us. Am I correct?

Mr. ROBB: Two years ago we exported twenty million dollars worth of goods to Australia and imported three million dollars worth; last year the figures were about twelve million and two million dollars respectively.

Mr. MANION: Well, even at six to one it indicates that Australia has been one of our good customers, and I am not opposed to giving some slight concessions to her; at any rate, no trade treaty can be made without concessions on both sides. Having briefly taken into account the advantages and disadvantages of this treaty, I find I am forced to support it. At the same time I must repeat, that I believe whatever government is handling the affairs of this country in the next parliament should in its budget adhere to that policy of protection under which alone to my mind this country can prosper, that is, the policy of raising our tariffs against other countries on agricultural products.

Mr. HOEY: Mr. Chairman, I regret more than I can easily express in words the failure of the Acting Minister of Finance to enter into negotiations looking towards the final ratification of this treaty without increasing to the extent that he has increased the duty on dried fruits, that is, from one-third of a cent to three cents a pound. This increase of duty is sure to bear heavily upon the consumers, particularly in those sections of the Dominion where fresh fruits cannot be easily obtained. I would ask the minister, even at this comparatively late date, if he will not seriously consider the desirability, if at all possible, of modifying that particular schedule.

The more I study tariff schedules the more perplexed and amazed do I become. The whole treaty, to my mind, is perplexing in view of the fact that it is being negotiated by a government that has expressed a desire and a willingness to enter into closer trade relationships with the United States—reciprocity. Australia is giving us certain concessions, it is true not the concessions that the hon. member for Fort William and Rainy River (Mr. Manion) thinks, because he must know that pulp is already on the free list.

An hon. MEMBER: Where?

Mr. HOEY: With respect to Australia.

Mr. VIEN: Not at all.

Mr. HOEY: Pulp is on the free list, and has been for many years.

Mr. ROBB: My hon. friend is mistaken. Newsprint is free under this treaty.

Mr. HOEY: Yes, but pulp enters Australia free. I have the schedules in front of me.

Mr. PARENT: It is too heavy to go down there.

Mr. HOEY: My hon. friend (Mr. Manion) referred to pulp. I am just reminding him that pulp enters Australia free.

Mr. MANION: I referred to the pulp and paper industry. I was speaking really of paper exports to Australia.

Mr. HOEY: The treaty will enable us to ship newsprint; that is, they will not impose any duty on it. They are also giving us other concessions; the free list will amount to four commodities in all, and we are giving them certain advantages by increasing the

duty on currants and dried fruits as against the United States. It is interesting to observe some of the duties against our products entering the United States. The United States permit coal to enter that country from Canada free provided that we extend the same privilege to them. The United States permit bricks of all kinds to enter free provided we extend the same treatment to them. The same applies also to cement; leather gloves manufactured from cattle hides; binder twine; boots and shoes; hides of cattle; standard newspaper print; agricultural implements; ploughs, tooth or disc harrows; headers, harvesters, reapers, agricultural drills and planters; mowers, horse-rakes, cultivators; threshing machines, wagons and carts; cream separators, harness, saddles and saddlery, barbed wire, plain or galvanized; linotype, typesetting machines and typewriters; oil spreading machines for construction and maintenance of roads. These are just a few that I selected this afternoon from a very extended list, and it is puzzling to me that we should go out of our way to increase the duty on certain commodities entering this country from the United States in view of the wide free list that they have extended to us—unless, as the hon. member (Mr. Manion) suggested—though he did not support the idea—we allow sentiment to govern us in these considerations. But I am particularly interested in the increase in the duty on raisins and dried fruits, an increase which will mean anywhere from $1,000,000 to $1,500,000 a year to the consuming public. I would like to have an expression of opinion from the Acting Minister of Finance as to the desirability of modifying that particular feature of the treaty even at this date.

Mr. MACKENZIE KING: My hon. friend will remember that two years ago, I think it was the session of 1923, the matter of Australian trade treaty was before parliament for consideration. At that time the Minister of Finance pointed out that it would be impossible to begin negotiations with Australia unless the government were given power to act as is now proposed with respect to the duty on raisins and currants. The explanation of that is this: Our trade with Australia is very many times greater than Australia's trade with Canada. We exported two years ago something like $20,000,000 worth of products to Australia while Australia was sending some $3,000,000 worth of products to Canada. The government of Australia, in seeking to enter into an agreement with Canada, was immediately confronted with that large favourable balance of trade on Canada's side, and the Australian government made it clear to our government that unless some concession was given with respect to some commodities of which Australia had exportable quantities it would be useless to attempt any kind of reciprocal arrangement. That is one factor to take into account in considering the possible effect of a duty on raisins against other countries and the removal of the duty as against Australia and other countries of the British Empire. To-day under the British preference there is a duty of a half cent on raisins; that will be removed under this agreement, and so far as British countries to which we give a preference are concerned raisins will come in free. They will come in free, therefore, not only from Australia but from many parts of the British Empire. Australia is not the only part of the British Empire that produces raisins. South Africa, I understand, produces raisins and currants in quantities. At the Imperial Economic Conference which was attended by the Minister of Railways and Canals (Mr. Graham) and myself two years ago in London, the then Prime Minister of South Africa, Mr. Smuts, gave us to understand that the balance of trade as between Canada and South Africa was so much in favour of Canada that unless Canada would make concessions to South Africa in respect to some commodities, the South African government would be obliged to change its fiscal relations toward this Dominion. He spoke particularly at that time of South Africa's ability to send currants and raisins to this country if they got a favourable opportunity.

11 p.m.

Mr. ROSS (Kingston): What part of South Africa produces raisins and currants?

Mr. MACKENZIE KING: I am not an expert on the geography of South Africa. I am telling my hon. friend what was represented to the Minister of Railways and myself, when we were at the Imperial Economic Conference, by the then Prime Minister of South Africa, which representations I think have been confirmed by further correspondence which has taken place between the Minister of Finance and the government of South Africa. As I say, there are other parts of the British Empire which grow raisins and currants, and under the arrangement that is now being made the preferential duty, which is now half a cent, will be removed, so that currants and raisins will come in free from other parts of the British Empire. Any suggested increase in the price of raisins and currants by reason of the tariff against raisins from other countries may conceivably be offset by

the fact that they will be admitted free from all parts of the British Empire with which we have reciprocal treaties. More than that, it is hardly probable that the country to the south is going to sacrifice this market which is right at its door. To-day the United States has more or less of a monopoly of our market in the matter of currants and raisins, and a little competition will probably result in keeping the price of raisins and currants just about where it is. The disadvantage of arguing a matter of this kind is that whatever is presented here as favourable to our point of view may be quoted to-morrow as an argument against this agreement by those in Australia who are interested in preventing its going through. That is the reason I do not try to stress other points. I would ask the committee to regard this treaty as one of the measures designed to promote an inter imperial point of view. Surely there is something to be said for seeking to develop trade between the different parts of the empire. For twenty years this country has been seeking to make an arrangement with Australia. We have made a beginning, it is only a beginning. If it does not work out satisfactorily, if it works to the injury of any interest concerned, two courses are possible. In the first place, the government may at a subsequent session alter the tariff. There is nothing that binds us to keep the tariff items at the figure at which they are fixed under this treaty. What Australia is interested in is the spread that is given between the rate of duty at which her commodities will enter Canada and the rates at which those from other countries enter. As long as that spread is maintained the arrangement with Australia will continue without any injury to the Australian government or to our relations with Australia in regard to the treaty.

There is the further step, the more drastic step, we are at liberty to cancel this treaty at any time on six months' notice. Surely, where that security is provided, it is worth while to take advantage of the present opportunity and make the most of it. If we find at the end of six months, or when another session of parliament is being held and six months have elapsed, that something unforeseen and prejudicial to Canadian interests has come out of this treaty, parliament will be free to act, and to give notice to Australia, if she so desires, of her intention to end the treaty. I question if any industry in this country could be appreciably affected in that brief space of time.

There is this further point, and it is of very great significance to the whole of Canada. Australia has made her changes in her tariff. She will have to make further slight modifications if this agreement goes through in the form in which it has been presented to our parliament. The Prime Minister of Australia has cabled me that he will be prepared the minute this treaty passes, to introduce into the Australian parliament, and he expects to carry through parliament, the slight changes that will be necessary, and he suggests that the agreement should come into force by proclamation immediately after its passing both parliaments.

Mr. HOEY: Would that mean further reductions in our favour?

Mr. MACKENZIE KING: It is just the reductions before this House, the difference between the agreement as originally drafted, and the present agreement. Our government has been led to believe that if this agreement does not pass, the course which the Australian government is likely to take is to repeal entirely the preferences given to Canada under the agreement as it stands at the present time. If the list of preferences is repealed, this country may lose for years to come, if not for generations, the opportunity of getting another beginning of trade with Australia along preferential lines. Now that is a serious situation.

Further than that, may I point out to hon. members that it is questionable whether we would have been able to make the arrangement we have made with Australia on the terms we have secured except for conditions being just what they were at the time the negotiations took place. Other countries are making overtures to Australia. The Mother Country herself has been making changes in her tariff since the present administration came into office in Great Britain, changes that the Ramsay MacDonald administration were not prepared to make. The whole complexion in regard to Australian trade may change at any moment, and the chance we have now may be gone possibly for a long period of time, and we risk it for good, if we let this particular opportunity go by.

May I draw attention to this further circumstance? In dealing with Australia it is not as though we were negotiating with our neighbour immediately to our south, where competition is likely to make itself instantly and effectively felt. We are dealing with a country that is seven thousand miles from Vancouver by sea, a trip on a fast vessel of some three weeks, and a journey of some six weeks by the ordinary ships carrying the commodities that are likely to enter into competition. Those ships have to pass the

equator, which means that foodstuffs and the like carried across the Pacific ocean will have to be brought in cold storage, or at all events extra precautions at additional cost will have to be taken against the effect of the great heat of the equatorial zone. Who can reasonably believe that coming that great distance, and more particularly after crossing the Rocky mountains to Montreal or other distributing point, a distance of some ten thousand miles, anything that Australia can do for years to come is going to affect in any appreciable way any industry that any hon. member of this House may be interested in? I would ask hon. members to overlook for the moment, if they can, purely local and occupational considerations, and think of the vast interests of this country as a whole.

Supposing the development is, as has been intimated from two or three sources, largely in the export of paper. We have tracts of land, as the hon. member for Fort William and Rainy River pointed out a moment ago, large forest areas as yet practically undiscovered, which are capable of turning out quantities of newsprint paper for shipment to other countries of the world. That means the use of our water-powers, the development of an industry for the making of pulp and paper, and all that is implied in the transportation of these supplies by rail and by sea. Will not the development of one industry aid in the development of other industries? If the paper industry were the only one concerned, it is conceivable that the extra demand for the products of the farm and other commodities used by consumers generally that would come as a result of the increased development and the supply of labour in that one particular industry would be sufficient to more than counterbalance any possible loss there would be from competition in any other direction. I would ask hon. members to think of this treaty from that point of view.

Then there is the circumstance that, as regards the seasons, the Australians are at the opposite side of the world from ourselves. Our winter season is their summer season, our spring season is their fall season, and the possibility of competition in a way that is likely to injure any industry in this country is very, very remote indeed. Indeed, it would appear as if the two countries were the natural complement of each other, intended to be so by Nature herself.

I stress these points because I feel, and the government feels very strongly that this is an opportunity to begin a trade between a sister Dominion and our own nation which will grow and expand as the years go by. There is an old saying that trade begets trade, and what is now needed is to stimulate this trade, and to get it started.

As I have said, parliament has it in its hands to remedy any defects that may appear in the agreement at subsequent sessions, or to cancel the agreement in its entirety if it should appear to be not in the interests of this country to continue it. Let us not forget that here, as I said at the outset, is not only an opportunity of furthering our own national interests, but that there is that larger consideration which I think all parliaments of the British Empire do well to keep in mind, the development of a great trade within the empire itself. Let us remember, too, that this comes at a moment when this government is seeking to bring about closer trade relations between another group of British communities, the British West Indies, and ourselves, and it would, I think, be particularly unfortunate if for lack of the larger vision any step were taken at this moment which might prove prejudicial to this more important aim of furthering as much as we can our inter-imperial trade.

Mr. LADNER: This Australian agreement is a matter of momentous importance to the province of British Columbia in some of its basic industries. The Prime Minister in his remarks has covered a number of the arguments that I had intended to take up. I propose for a few minutes to address my words particularly to my Progressive friends, and to urge upon them the wisdom of taking a broad conception of the merits and advantages of this agreement and approving of its adoption to-night.

Mr. GARLAND (Bow River): It would be much better, I think, for my hon. friend to direct his remarks to the hon. member for Parkdale (Mr. Spence), who so bitterly attacked this treaty last night.

Mr. LADNER: My hon. friend might have taken my remark as a compliment to himself, that he at all events, in my estimation, is still open to conviction. The public bodies of Vancouver such as the board of trade, with some 2,000 members, the press of Vancouver the Province, the Sun and other publications, and large business institutions have energetically and actively supported the idea of an Australian treaty, and until a few days ago I believe most of the members of the House, particularly in this quarter, were equally in favour of the Australian treaty.

Mr. SUTHERLAND: Speak for yourself.

Mr. GARLAND (Bow River): Another field for my hon. friend to canvass.

Mr. LADNER: My hon. friend from South Oxford was never known to be vacillating or indifferent in his opinion. The mistake the government made on this question was this: They should have brought down the agreement or proposals in their original form, instead of eliminating from those proposals the protective principle; and if they had done so perhaps more hon. members would have been in favour of this treaty. My hon. friend from South Oxford might have had a more tempered view of the situation had that been done.

I have a statement giving a comparison of the two propsals, which are known as "Robb's undertaking" and "the new scheme." On the general tariff the underlying policy was to increase the duty by 25 per cent. In my judgment it was owing to the known attitude of the members of the Progressive party on tariff questions that the government reduced the duty in the new proposals instead of increasing it, but having made that bountiful concession to my hon. friends they refused at once to accept it or give the approval which no doubt the government had anticipated.

Mr. CAMPBELL: Just what reduction is my hon. friend referring to?

Mr. LADNER: Take the question of meats, item 7. Under the present tariff the general tariff is three cents, and under the original treaty proposal the general tariff was increased to four cents. That increase in the general tariff affected many countries. Under the new Australian proposal the general tariff has been reduced to three cents. In the matter of eggs, under the general tariff the duty is three cents and under the original Australian treaty proposals the duty was increased to four cents a dozen. Under the new proposals it is now reduced to three cents a dozen. Take the article of cheese, the general tariff was three cents. It was increased to four cents under the original treaty proposal. Under this new proposal it is back to three cents. In all the items you will find the increase of 33 per cent that was made in the general tariff has in this proposal been reduced to the original general tariff. That is what I mean by eliminating the protective element which was found in the original proposals.

Mr. CAMPBELL: Does the hon. member suggest that the reduction of the duty on eggs, butter, meat and all that sort of thing from Australia is a concession to the members in this section of the House?

Mr. LADNER: My contention is that under the original treaty proposals, which involved an increase in duty, my hon. friends to the left naturally were opposed to it. But now after consideration the government has reduced the egg duty by one cent a dozen, which is palpably an appeal to the members of the Progressive party who do not want increases in duty. That concession would normally have brought a response or an approval of the treaty proposals, and in my opinion should have brought a response or approval, but that change has handicapped and made more difficult the position of some members of the House, and my own position is somewhat difficult. There are conflicting interests. I personally belong to an organization of farmers, the Fraser Valley Milk Producers' Association, composed of about 2,000 farmers in the province in and around Vancouver who sell milk locally and use the surplus for butter, cheese and canned milk. They protest against the treaty because of the reductions, but I am endeavouring to look at this matter in a broad way. We know the advantages and disadvantages so far as Canada is concerned. Before sitting down I wish to give hon. gentlemen some figures which have not been quoted, to prove the contention I am making. In the matter of canned and preserved fish the exports to Australia were as follows:

1921..	$439,000
1922..	698,000
1923..	480,000
1924..	848,000

The prospects of this canned salmon business are increasing greatly. It is one of our basic industries, and when all our basic industries thrive in British Columbia, the ancillary interests also thrive. I have a number of telegrams regarding the canned salmon industry. I have one from the British Columbia Fishing and Packing Company Limited, strongly urging the treaty and emphasizing the importance of it. I have another telegram from the canned salmon section of the Canners' Association representing all the interests very strongly urging the adoption of the treaty. I have another telegram from Kelly Douglas and Company, wholesale grocers, strongly urging support of the Australian treaty. Another telegram from W. H. Malkin and Company, wholesale grocers, supporting it. A letter from Simpson, Balkwill and Company, shipchandlers, I will read because it contains a good suggestion.

> Would ask you do everything possible assist passage Australian treaty which is of utmost direct importance salmon canners and paper manufacturers and through those industries to business community generally. Objections which understand have been expressed do not think well founded as development export markets for basic industries must result in increased home markets for various other domestic products.

I have a telegram from the British Columbia Loggers' Association, which reads:

Best interests of this province call for support of Australian preferential tariff which directly affects the pulpwood resources and the welfare of the timber industries of the province. Trust your support will enable passing of measure.

I have another from the Pacific Mills Limited and Powell River Company, which is directly interested in newsprint. I will not read the whole of it. They argue with considerable force in favour of the treaty and give the interesting information:

We know you must appreciate the great importance of this matter because Australian newsprint trade is worth at least seven million dollars per annum and Canadian mills cannot compete under prevailing Australian import tariff.

Due to the British preference that was killed. At that point I would draw your attention again to the fact that these concerns indicate that the business is worth seven million dollars a year. The business done with Australia in newsprint was as follows:

1921..	$4,256,000
1922..	2,434,000
1923..	2,274,000
1924..	156,000

There was a drop from 1921 to 1924 from four and a half million dollars to two hundred and fifty-six thousand, due entirely to the effect of the granting of the preferential tariff in favour of Great Britain of £3 a ton on newsprint. These are serious matters in the export trade of this country, and no industry out there is more important than the lumber products industry. There are other paper products besides newsprint. There are kraft, bond and writing papers, which for three years and upward have been exported to Australia to the extent of $80,000. Then we have other articles as follows:

Wrapping paper per year under..	$15,000
Paper board, average per 3 years about.. ..	50,000
Roofing paper, average for 3 years, under..	10,000
Wallpaper average for 3 years about..	100,000
Wrapping paper, average for 2 years, bout..	550,000

This is a matter of real importance to the industrial life of Canada and particularly that of British Columbia, as it relates to several of our basic industries. The opportunity is afforded by this treaty to extend that trade, and I maintain, so far as the agricultural advantages are concerned—and these must relate only to reductions in tariff—I cannot see how we shall be seriously affected. But my best calculations, taken from advice of people who are supposed to know and from trade reports, convince me that if we weigh on the one side the disadvantages as regards agriculture and canned fruit and on the other the advantages to our paper business, our canned and fresh fish business, and our businesses which are ancillary and incidental to those, I have no doubt the Australian treaty provides distinct advantages to Canada, it lays the groundwork for further development of the trade which is bound to grow between these two countries. This trade treaty furthers the idea which has been near and dear to the members of this party, namely, the development of imperial trade and of bringing the empire into closer relationship, based as far as possible upon economic unity as well as upon sentimental unity.

Mr. CRERAR: As one who has long believed in removing or reducing the barriers to trade between countries, I must confess my keen satisfaction at the argument of my hon. friend (Mr. Ladner) and the evidences of reformation that are apparent in his processes of thinking in respect of this whole question of tariffs. My hon. friend made, for a beginner, a very good free trade speech. I am not surprised, because I think it is as certain as anything can be that the section of the Dominion from which he comes is going to change its views in respect of fiscal protection. You cannot have a great city like Vancouver situated on the Pacific ocean, where the great trade development of this century will take place, without the natural sentiment growing there in favour of extending its trade to the ends of the earth.

When we come to a consideration of the treaty, I confess that I do not magnify it to the position of importance that some hon. members have given it. The total volume of our trade with Australia last year, as we were informed this evening by the Acting Minister of Finance (Mr. Robb) approximates some $14,000,000 or $15,000,000. Taken with the total volume of Canadian trade for the past year, it is comparatively insignificant. The government, however, are to be commended for endeavouring to improve the interchange of goods with this distant continent of Australia. Personally, I would be much more pleased if the government endeavoured to direct some energy to improving our trade relations with our great neighbour to the south. Considerably more than one-half of Canadian trade is done with the United States.

Mr. MACKENZIE KING: I would submit that measures of this kind will help to bring about the very thing at which my hon. friend is aiming. When our neighbours to the south find that unless they trade with us, we are going to do more of our trade with other parts of the world, they will come to time much more quickly than they otherwise would.

Mr. CRERAR: I believe the Prime Minister is right. I would not quarrel with his assertion; but while we are endeavouring to promote trade with Australia, Latvia, Poland, France and Italy, we have done practically nothing—and we might be able to do something if we tried—towards creating a better feeling with the United States in trade matters. We should have several good trade commissioners in the United States. We should have at Washington a good practical man who would tell United States senators and congressmen that Canada is a country worth while trading with. I believe in that respect this country could do a great deal to aid in promoting better trade relations with the United States, and no matter where we trade to the ends of the earth, I venture to predict that for decades to come the larger volume of Canadian trade, from the very nature of our geopraphical relations, will be done with the United States.

When we come to the treaty itself, there are one or two things that are open to criticism. I support the criticism expressed by the hon. member for Springfield (Mr. Hoey) and one or two others in this section of the House in voicing my regret that it was necessary to increase the duty on raisins and currants from the United States in order to get this arrangement. But notwithstanding that, I find, on examination of the treaty, that it tends to promote trade between Australia and Canada by reducing the barriers that have hitherto existed, and for that reason I am going to support it. I am not even in the most remote way impressed with the arguments advanced this evening by the hon. member for Fort William and Rainy River (Mr. Manion), the hon. member for South Oxford (Mr. Sutherland) and some other hon. gentlemen to my right that we are in danger of putting the Canadian farmer out of business by introducing into Canada at these lower rates of duty similar produce from the continent of Australia. If we look at the treaty in that respect, we find that we are proposing to give Australia some preference in duty on eggs. Is that going to put the egg industry in Canada out of business?

Mr. MANION: I did not suggest that it would put anything out of business. All I said was that there would be more competition.

Mr. CRERAR: I do not think it will put the egg industry in Canada out of business. In fact, I believe there are cases where this may be of decided advantage to Canada. It may stimulate our own hens to lay better eggs. The little province of Prince Edward Island is one of the great egg-producing sections of Canada.

Mr. CHAPLIN: The Acting Minister of Finance suggested that if this treaty goes into effect, our breakfast table will be cheaper. That would refer to butter, eggs and so on.

Mr. CRERAR: If it makes the breakfast table cheaper, that is not a bad thing for many Canadians.

Mr. CHAPLIN: Not so good for the hon. member's constituency.

Mr. CRERAR: Prince Edward Island produces a vast quantity of eggs. At certain seasons of the year the people of Vancouver may want to get eggs that are fairly fresh. I understand at the present time they are importing them on certain occasions from China, but they may prefer to get them from Australia a little cheaper than would be possible say, from Prince Edward Island.

Mr. MANION: Does my hon. friend not think it would be better to use good Canadian eggs than either Australian or Chinese eggs?

Mr. CRERAR: Yes, and notwithstanding this treaty, that is what is going to happen, because Australian eggs will not compete with good Canadian eggs. We export about 150,000,000 pounds of cheese a year. Is anyone going to argue that the little cheese we may bring in from Australia will damage the cheese industry of this country? The same may be said all down the line. I notice in the treaty there is a reduction on sugar coming into Canada I may say, in passing, that in a conversation I had with Dr. Page, treasurer of the Commonwealth government, when he was here a few months ago, he intimated the expectation of the Australian government that there was a great future for the sugar industry in that continent. If this proves true, our consumers in Canada who use sugar are going to get some benefit, and that in any case will be some compensation for the slightly additional price we have to pay for raisins and currants, if indeed we have to pay any more for these commodities. Then further, on the other side of the bargain, we are getting entry into the Australian market for certain important classes of manufactured goods from Canada. I have frequently before criticized the Canadian manufacturers because of their inability to get into the markets of the world and sell their goods there. If I can do anything to assist the Canadian manufacturer to get markets outside I am willing to do it. In fact, the greatest need of

Canada to-day is markets for the commodities she produces, and anything that will increase the opportunity of securing those markets, I care not whether they be for the products of forest or farm, of mine or factory, is a good thing for Canada as a whole. I do not know that the treaty will produce the great results some of my hon. friends anticipate but I do think that it is a step in the right direction. It is a step whereby the barriers of trade between these two dominions are reduced, and for that reason in my judgment, and to the extent that it does that, it is a good thing, and I shall support it.

Mr. SPENCER: I want to say just a few words with regard to the matter of raisins. Some time ago there was an interesting article in the London Economist with reference to this suggested treaty with Australia and it referred to the subject of raisins. I shall for a few minutes make a comparison between Australian and Californian raisins. The Australian raisins will be up against certain expenses which the Californian product will not be charged with. There will be in the first place a loading charge and secondly, rail freight, and there will be also ocean freight and insurance. The Acting Minister of Finance may say that the California men will be up against the first two charges as well. That may be so, but the Australian will still have to bear the extra ocean charge and insurance. The next point is rather an important one. I understand that Australia does not seed any of its raisins while the raisins from California are seedless. This will make a considerable difference to the buyers. The California raisins are also ready I understand in October and November and they get here in time for the winter trade when people are going in more for cakes and pies and when they use the greatest supply of raisins. On the other hand, the Australian raisins are ripe in March and April and they will not get here until about June when the fresh fruits are coming in. This would mean that a great deal of the crop would have to go into storage. The article in question goes on to say that the common way of storing raisins is to put them in oil, and this gives them a not very palatable taste to a number of people. If these are facts I should be glad if the acting minister would either verify or deny them. At any rate they would make a great deal of difference to the success or otherwise of the arrangement with Australia so far as raisins are concerned. The last point is this. Are the Australians prepared to sell their raisins at a price low enough to make it impossible for the California raisin growers to compete, or will they, as many or most protected interests do, put up the price of their raisins so high that the California raisin growers will be able to climb over the tariff wall and make as much as they are making to-day?

Mr. MEIGHEN: What has happened to that 75 per cent clause which worried the minister so much a little while ago?

Mr. ROBB: I have a cablegram which I have received from the commissioner and which I shall read for the information of my right hon. friend. It is dated from Melbourne, June 18:

> Am assured by Minister of Trade and Customs that exactly the same treatment as extended to United Kingdom and other British possessions will be extended to Canada as basis for preference respecting application of labour and material and conditions imports from Canada. I am of opinion conditions are less arbitrary than regulations read.
>
> Ross.

Mr. MEIGHEN: Was it ever suggested that Canada would be in any different position from England in respect to that clause?

Mr. ROBB: Yes.

Mr. MEIGHEN: Never in the world.

Mr. ROBB: That was our objection to it.

Mr. MEIGHEN: I asked the government what the objection was and they said that it was passed after the treaty had been made. But there was never any suggestion that it applied peculiarly to Canada.

Mr. ROBB: My hon. friend is right in that they made some reservation respecting certain raw materials from the United Kingdom. They explained to us that when Dr. Page was here he said it was not directed against Canada particularly; it was directed against certain imports that were going down to Australia through the British channel of commerce. We replied to Dr. Page, "That will be all right, but why discriminate against Canada?" He promised to straighten the matter out but this was not done until Mr. Ross went there.

Mr. MEIGHEN: But it is still 75 per cent against Canada.

Mr. ROBB: But there is no discrimination.

Mr. MEIGHEN: What was the discrimination before?

Mr. ROBB: I have not that detail here.

Mr. MEIGHEN: The history of this matter is interesting as is the history of the whole treaty, and I may as well say a few words upon it now. The government started, I think, shortly after getting into office on a series of

negotiations and perambulations designed to end in a treaty with Australia. At length a treaty or an agreement or whatever else hon. gentlemen may care to call it was entered into about a year ago. This is a phase of the matter which seems to have escaped discussion up to now. Australia and Canada came to an arrangement almost a year ago; apparently the word of Canada was given for the word of Australia. If I am wrong I want to be corrected. The Canadian government agreed to submit to their parliament for ratification the terms of an arrangement with that dominion. At all events the Prime Minister of Australia so stated in the Australian parliament, and the terms of that arrangement he submitted to his parliament for approval. The Australian parliament accepted the advice of its government and approved, and all that was wanting then to the consummation of the contract was the approval of the Dominion of Canada through its parliament. Its government had approved. Parliament opened on February 5, reference was made to this, as to other treaties in the Address, as about to be submitted for ratification, but as the session proceeded nothing was introduced. Whereupon repeated inquiries were made as to the reason for the delay. The government gave one reason, and one only—that Australia had passed some clause, not annexed to this arrangement at all, but some general customs law under which goods that were to get the benefit of a preference into Australia must, subject to certain conditions, be manufactured 75 per cent in the country which got the preference. The government said they could not go on with the treaty and ask parliament to ratify it until this was rectified. This general customs law was passed after the arrangement was made. I submitted to the Acting Minister of Finance that Canada was not really affected by that law, that the goods we sold to Australia were 75 per cent manufactured here; but he persisted that this had to be taken care of and he could not go on with the treaty in the meantime. Consequently Canada was in new negotiations with Australia. Now the minister would never suggest to this House, never has suggested since the treaty came down and the facts are revealed, that this 75 per cent law was the cause of the delay at all. What are the facts? The treaty which the minister had negotiated with Australia, which this government gave its word of honour to Australia it would submit to parliament for ratification, was a wholly different treaty from the one which comes before us now.

The treaty which they submitted to us for ratification appears in the records of the Australian House. It provided, it is true, for virtually, if not exactly, the same concessions on the part of Australia, concessions to our newsprint manufacturers, to our canned solmon manufacturers, and a certain 2½ per cent advantage to certain manufacturers of vehicle parts. Those were in the first treaty as in this. In the first treaty, as in this, agriculture was called upon to pay for those advantages. But agriculture got some compensation. The British preferential tariff against mixed farm products was reduced, and Australia given that reduced tariff. It was reduced substantially. But, on the other hand, the general tariff on these same products was raised, and the Canadian farmer in that respect got a quid pro quo for what he lost. I have before me the details of that treaty, and I do not think I could do better than to give some of them to the House, and I will hand to Hansard the comparative data which gives the present tariff,—British preferential and general;—the first treaty which the government themselves actually consummated, subject to ratification by parliament; the British preferential and the general tariff there, and as well the British preferential and the general tariff under the present treaty. The columns of this table give it as to the whole twenty classes of articles, mainly farm products. For example, our present tariff on meats, British preferential, is two cents, three cents general. Under the treaty made first this was reduced, British preferential to one cent, but the general tariff was raised to four cents. In the present treaty the preferential tariff which Australia gets is reduced to half a cent; the general tariff is not reduced at all, it is just left where it is to-day. Indeed, right down the line all the Canadian farmer got by way of additional advantage in his home market in lieu of what he had to pay Australia for the newsprint manufacturers and others is wiped completely away—wiped away on meats, wiped away on canned meats, canned poultry and game, extracts of meats, fluid beef, soups and so forth, completly eliminated; on lard the same is done, and on tallow. Take, for example, lard, our present tariff is a cent and a half British preferential, two cents general; the first treaty half a cent British preferential, two and a half cents general. Now it is free to Australia and the two cent general tariff stays Eggs, cheese, beeswax, butter, tomatoes and other vegetables, including corn and baked beans in cans or other airtight packages, and so forth, the present tariff is one cent British preferential, one and a half cents general. The first treaty was to reduce the

one cent to three-quarters and give that to Australia, but to add to the general tariff making it one and three-quarter cents. Now, Australian vegetables come in here absolutely free, and the general tariff stays just where it was, a cent and a half. Apples, dried, desiccated or evaporated, ten per cent; pears and some other kinds of fruit, reduced from fifty cents per one hundred pounds to twenty-five cents; raisins and dried currants are similarly treated. Our farmers do not raise raisins and currants—they cannot be raised in Canada, so far as I know. The general tariff is raised on these to three cents. It does no good to the Canadian producer. It probably will do good to Canadian revenue, but I am discussing this treaty now from the point of view of the Canadian producer. I am not objecting to giving Australia a preference, and a big preference, on such articles as raisins and currants, and of raising the tariff to do so. We have to give something to get an advantage, and it is well to choose an article where it can be given at the expense of outsiders and not at the expense of the Canadian producer himself. On the next article, fruits in airtight cans or other airtight packages, and so forth, the present British preferential tariff is a cent and three-quarters, the general tariff two and a half cents. That cent and three-quarters was, under the first treaty, to be reduced to a cent and a quarter, but the general tariff was to be raised from two and a half to three and a quarter cents. There would be something for the Canadian fruit producer to offset partly, if not wholly, the sacrifice he was asked to make. But the government went back to Australia and said, "We will let all your fruits, dried and all the rest of them, in a half a cent, and we will keep our general tariff just where it is, two and a half cents. Honey is treated similarly, other articles the same, until of the twenty articles nine of them now come in wholly free, and on not one of them produced in Canada is the producer given a particle more advantage against any country in the world than he had before the minister went to Australia.

The following is the statement of camparative data:

Tariff Item	Article	Present Tariff		Robb's Undertaking		New Scheme	
				First Treaty			
		B.P.	Gen.	B.P.	Gen.	Australian Preference	Gen.
7	Meats, fresh, n.o.p., per lb	2c.	3c.	1c.	4c.	½c.	3c.
8	Canned meats, canned poultry and game; extracts of meats and fluid beef not medicated, and soups of all kinds	17½%	27½%	15%	27½%	15%	27½%
13	Lard, lard compound and similar substances, cottolene and animal stearine of all kinds, n.o.p., per lb	1½c.	2c.	½c.	2½c.	Free	2c.
14	Tallow	15%	20%	10%	20%	10%	20%
15	Beeswax	5%	10%	Free	12½%	Free	10%
16	Eggs, per doz	2c.	3c.	1c.	4c.	Free	3c.
17	Cheese, per lb	2c.	3c.	1c.	4c.	Free	3c.
18	Butter, per lb	3c.	4c.	2c.	5c.	1c.	4c.
86	Tomatoes and other vegetables, including corn and baked beans, in cans or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty	1c.	1½c.	¾c.	1¾c.	Free	1½c.
93	Apples, dried, desiccated or evaporated, and other dried, desiccated or evaporated fruits, n.o.p	17½c.	25%	12½%	27½%	10%	25%
97	Pears, quinces, apricots and nectarines, n.o.p., per 100 pounds	35c.	50c.	25c.	50c.	25c.	50c.
99c & 99b	Raisins and dried currants	½c.	¾c.	Free	3c.	Free	(?)
105	Fruits in air-tight cans, or other air-tight packages, n.o.p., the weight of the cans or other packages to be included in the weight for duty, per lb	1¾c.	2½c.	1¼c.	3¼c.	¼c.	2½c.
108	Honey in the comb or otherwise, and imitations thereof, per lb	2c.	3c.	1½c.	3½c.	1c.	3c.
135	Sugar above number sixteen Dutch Standard not exceeding 76 degrees of polarization per 100 lbs	35.00c.	81.08c.	35.00c.	81.08c.	35.00c.	81.08c.
	Over 98 degrees	46.50	142.50	46.50	142.50	46.50	142.50
232	Glue, liquid, powdered or sheet and mucilage, gelatine, casein, adhesive paste and isinglass	17½%	27½%	15%	30%	12½%	27%

Tariff Item	Article	Present Tariff		Robb's Undertaking		New Scheme	
		B.P.	Gen.	B.P.	Gen.	Australian Preference	Gen.
264	Essential oils, n.o.p., including Bay Oil, otto of limes and peppermint oils	5%	7½%	5%	7½%	Free	7½%
781	Fruit pulp, not sweetened, when imported by manufacturers of jam or preserves for use only in their own factories in the manufacture of jams or preserves	17½%	25%	17½%	25%	Free	25%
782	Eucalyptus oil	5%	7½%	Free	15%	Free	7½%

Now, may I ask why did the government retreat from its pledge with Australia and go back and ask for a new treaty? Why was the offer which they were so ready to make to reform the Petersen contract repeated in the case of a sister colony? Why was the advantage which the Canadian farmer was to get under the first treaty, partially in lieu of the sacrifice he had to make, absolutely wiped away? Will the minister explain? Has the minister, has the government attempted to explain why they retreated from the position which they took with Australia, and which they agreed with Australia they would submit to this parliament. Nine of the twenty articles now come in free. I can understand a man who adheres to the free trade doctrine —if such is left—feeling that this is all right, that the further you go in this direction the better. It is all right to get markets for our newsprint. Nobody objects to that. It is wise to do it, and it is wise to make a concession to do it; wise to get a market for our canned salmon, and wise to make a concession for it.

Mr. CAMPBELL: Does the right hon. gentleman intimate that the members of the government are enunciating a free trade doctrine?

Mr. MEIGHEN: No, except in such portions of the country as they think it is safe to do so, that is all. It is wise, I say, to make a concession to get these things, but by this treaty the government just calls on the mixed farmer of Canada to be good enough to step up to the counter and pay the whole cost of the concessions that they have given Australia. Out of him and him alone comes the whole price, and in compensation they give him not one single concession. The minister says "Oh well, not many of these goods are coming into Canada now. We have not imported much meat or canned meat or poultry and game, so we do not need to fear the competition." Has the minister considered that though very little may come in over a three-cent tariff, very much more may come in over a half-cent tariff when applied to a single pound of meat?

[Mr. Meighen.]

An hon. MEMBER: From a country eight thousand miles away.

Mr. MEIGHEN: Yes, from a country eight thousand miles away, when the freight to bring it here is less than the freight over half the length of Canada; and from that country it is coming to-day.

Australia has never been getting these goods in under the British preference tariff; she has been paying the general tariff rate. The tariff Australia paid previously on meats was three cents; now it is half a cent. On canned meats it was 27½ per cent; now it is 15. The tariff on lard was 2 cents; now it is free; on tallow, 20, now 10; eggs 3, now free; cheese 3, now free; butter 4, now one cent. In a word, what was a fairly substantial tariff is now virtually wiped out. So that all this argument of the Minister that because little has come under the general tariff from Australia not very much will come when there is no tariff at all —that argument is just so much casuistry, just so much guess work. We are to-day importing butter, a considerable amount, as has been stated by the minister himself, from countries just as distant as Australia, over tariffs far higher than the minister now proposes to impose.

Mr. ROBB: We imported 198,341 pounds of butter last year, and we exported 24,000,000 pounds.

Mr. MEIGHEN: I know, and we imported it over a substantial tariff, not over a tariff of a cent a pound. I would like to know upon what principle of equity he makes the Canadian farmer pay the whole of this. The minister knows what he should have done just as well as he knows he is sitting in his seat to-night. He did it in respect to raisins and currants, and he started to do it on other articles too, but he got frightened, and I think I can see in front of me now the people who frightened him. He was afraid of the votes of hon. gentlemen to my left. He did not want to carry his measure with the support of the Conservative party; he wanted to maintain up to the day of the election what

alliance he could with the Progressive party. Now, hon. members to my left are certainly under no humiliation from that talk, but I wonder what condition the government is in? That was its purpose and that alone. The fact that they negotiated and completed a treaty with Australia, subject to parliament, along the lines that we have repeatedly advised in this parliament, certainly shows that they know that is the right line, but they had not the courage to follow it through. Even the first treaty, while it certainly was not fair to the farmer of Canada, was infinitely better than this. Under the first treaty they made him pay, but at least they gave him something in return; they gave him an increased duty against other countries. The minister knows what he should have done, and this government knows what it should have done, namely, to have taken our tariff on farm products and given a tariff practically on a level with the American tariff against the world, and then said to Australia: "Come in under our British preferential tariff; we will thus give you an attractive preference in our markets. We can do that and be fair to the farmer of Canada." But the government did not have the courage to do so. The government was afraid of the Progressive votes.

Mr. CRERAR: Afraid of the farmers.

Mr. MEIGHEN: No, afraid of the Progressives, a very different thing. But it will be afraid of the farmers when it gets amongst the farmers of Ontario and Quebec, and faces them with these duties.

Mr. VIEN: Do not be afraid.

Mr. MEIGHEN: I can show the hon. gentleman resolutions from very close to his own county against the tariff on farm products as it stands to-day; what will these farmers say when it stands where it is going to stand after this treaty passes How can a member representing a rural county go back to that county and say: "I am a supporter of protection for industry." I know the hon. member for Lotbiniere (Mr. Vien) will say that, because I know he is. "I am a supporter," he will say, "of protection for the industries of Canada, but when it comes to you, I do not care a whit about you. I am in favour of half a cent a pound on the meats that you produce. I am in favour of fifteen per cent on your canned meats and canned poultry. I am in favour of lard, eggs and cheese coming in free. As for you, I have no concern at all; the protection I want is only for manufactured goods." Those who believe in free trade principles can uphold such a theory, but those who believe in protection will have great difficulty in supporting any system which does not apply equitably to all portions and all classes of the producers of this country. I am not one of those who decry the benefits obtained by this treaty. I am as anxious as anybody to extend the market for Canadian produced paper, canned goods, or any other products of Canada. But we should have a tariff on a level where we could give concessions, and give them at the expense of outside competitors, not give a preference over the producers themselves of this country. Had we had such a tariff, the negotiations of a treaty with Australia would have been comparatively easy. We would then have had something to offer, something of an advantage over other countries competing with us who give us no concession. Now we have given something to Australia to the disadvantage of our own farm producers, in order that Australia may let some of our manufactured goods in at the same level at which she admits the same goods from other countries. As a matter of fact, the schedule which is the most unjust of the whole of the tariff schedules of Canada to-day is that relating to farm products. The first tariff schedule I would raise in this country is the farm product schedule; the one that I would raise most substantially of all is the tariff which applies to farm products. The farmer in this country to-day is competing with his fellow farmer in other countries under conditions of absolute unfairness. The goods which he produces are brought into this country over a relatively low tariff or none at all, while he is forbidden access to those other countries save over a tariff that he simply cannot scale.

Mr. BELAND: My hon. friend says we are precluded from exporting these products to foreign countries except on the payment of high duties. What about England?

Mr. MEIGHEN: Certainly we are on a level with other countries as to admission to England. We have no advantage over them, but they have a big advantage over us in admission to their own country as compared with their admission to us, and that is what I am complaining of. Speaking of England, any one who has watched the trend of events in recent months in that country will find it hard to become elated over the results of the fiscal policy which they have been pursuing, and I do not think in that view I am differing very widely from the view of the minister (Mr. Beland) himself. No; it is not that I have any hostility toward trade treaties, especially with our Dominions. To them, in fact, I would extend a welcome; I would

make greater concessions to secure them than I would to secure treaties with those who are beyond the circle of empire,for the reason that they are likely to be more permanent, and I think as well that inasmuch as in many lines they produce differently from ourselves the basis for a trade treaty exists.

It is well to have these inter-dominion treaties, but we ought first to be in a position where we can make those treaties without being compelled to force our own producers to pay the whole price, instead of doing as other countries do, that is, have a tariff from which we can make concessions and be fair to our own producers at the same time. France has made a treaty with us, and a very favourable treaty for France, but France in making that treaty never for a moment sacrificed a single producer in France. We did in this country. The minister talks of the French treaty being 75 per cent for the advantage of the Canadian farmer. The minister cannot name one article, not one single clause in the French treaty that is of benefit to the Canadian farmer.

Mr. PARENT: How can France make such a treaty as the right hon. gentleman speaks of in favour of France without helping the French farmer?

Mr. MEIGHEN: Without helping the French farmer? It is helping the French farmer altogether, but I am looking after our own farmers. The Canadian farmer got nothing out of the French treaty. France has a very high tariff, and France simply said to Canada: You give us certain concessions in your country, or our highest tariff goes up against you, and Canada bent the knee and gave the concessions. In some such corresponding position Canada should be, and then we could treat with other nations without sacrificing our own producers.

Mr. PARENT: I thought the right hon. gentleman said that the French farmer had not been sacrificed at all.

Mr. MEIGHEN: That is exactly what I said. The French farmer is not sacrificed in the French treaty, but our farmer is. What about the condensed milk duties against us. They were multiplied fifty per cent over what they were before, and we were told we would have to take that or a higher tariff still would go on. We took it with the result that it killed our condensed milk export from this country to France. That is how this government helped the Canadian farmer in the French treaty.

[Mr. Meighen.]

Mr. JACOBS: Is it not a fact that we are put on a parity with the United States in the matter of this French treaty?

Mr. MEIGHEN: We were put on a parity for some little parts of farm implements, those manufacturers were the only people who got any benefit out of it. The United States gave nothing in return whatever, but we had to go and give all these concessions, and we are always going to be in that position, so long as this government pursues its present course.

Mr. JACOBS: Without the negotiation of the French treaty, would not the United States have been at an advantage over us in the French market?

Mr. MEIGHEN: Certainly they would have in respect of those farm implements that some of our manufacturers were selling there. I do not say that it was not an advantage, but I ask the hon. gentleman how was it that America got that with no concessions at all on her part, while we made very extensive concessions to get the same thing?

Mr. JACOBS: We got cheaper champagne.

Mr. MEIGHEN: Yes, and we lost a million, nearly two million dollars in revenue. The French treaty was an unqualified disaster for this country, and a disaster just because of the policy of this government. Now we are making further concessions because of the very same state of affairs. As long as we have a government pursuing this course, we will have to continue to do so—either that or no treaty at all. As for me, when I stand for protection, I stand for consistent protection to all parts of our country, and to all classes of producers. I am not going to stand here, no matter how strong the importunity may be, no matter whence it comes, and vote for any treaty that does an injustice to a great proportion of the producers of this country, though it does bring benefit to others. Do justice to all. France was able to do justice to all, and make an advantageous treaty. Finland was able to do the same thing. The United States to-day could do the same. But this government cannot do so with any country on earth, and it could not reveal a more conspicuous example of failure than the treaty that is before us to-night.

Mr. JACOBS: Is it not a fact that this treaty is terminable at six months' notice? Does not the right hon. gentleman think it would be well to give it a trial? Probably all these troubles he foresees may not actually occur.

Mr. MEIGHEN: I admit the terminable clause is perhaps the best the treaty contains. I am not saying there are not advantages in the treaty; there are, but you cannot defend advantages by unfairness. This treaty is not fair to the Canadian farmer. It is utterly unjust and injurious to him.

Mr. JACOBS: Is it not wise to give it a trial?

Mr. MEIGHEN: No, I am not in favour of trying out obvious injustices.

Mr. CLARK: I do not wish to delay the committee, but there are certain reasons why I wish to say a few words. I approve of the attempt to develop greater trade within the empire. I approve likewise of the attempt to effect a trade agreement with Australia. In fact, I approve of any attempt to effect trade agreements with any of the British dominions. Our trade with Australia has been very much greater than Australia's trade with us. In order that Canada may effectively increase her trade further with Australia, I think we must make concessions, and secure return cargoes. Return cargoes will result in lower freight rates on our exports, and bring greater business to our shores.

Under this treaty certain specific industries undoubtedly secure benefits, and conspicuous among them are certain great industries in my own province, the pulp and paper industry, and the salmon canning industry. On the other hand, there are certain specific industries which are obviously seriously injured by this treaty. I believe that we cannot afford to help one industry by killing another; we cannot afford to help one part of this country at the expense of another. The farming industry of this country is being placed at a disadvantage in comparison with certain other great industries, and my object in rising now is to urge upon the government not to delay in the action which is obviously the cure for this treaty. I believe we can afford to let this treaty pass and come into operation now, but if we are going to do that we should immediately safeguard the industries of this country which are adversely affected under the treaty by raising our general tariff to the level of the tariff which now operates against us in the United States.

I would refer the government to one of its own publications, the thirty-second annual report of the Department of Trade and Commerce, for 1924, where at page 17 I find these words:

> The duty of those who are buying goods is first to make every possible effort to obtain supplies in Canada if the goods be produced in the Dominion, before seeking outside sources of supply; and failing to find their requirements or what would be a reasonable substitution in Canada, strive to obtain their needs within the empire. There are many channels of information to this end available. Why should we continue to send our gold to a foreign country and depreciate our currency and buying power by paying outside for goods we could purchase at home or within the empire?

I would also draw attention to page 19 of this report, where reference is made to the enormous trade with the United States, our imports from that country in the year 1924 amounting to over $600,000,000.

> Despite the Fordney-McCumber tariff.

That is what this report states. Now I direct the government's attention to the explanation that was given by the Department of Trade and Commerce as to the size of those imports.

> Some analysis is necessary to explain the apparent anomaly that Canada should be able to market her goods in greater value in a highly protected country than in the free market of the United Kingdom. Of course, our contiguity to the United States influences our trade very largely in that direction; but fortunately for Canada, under the United States tariff of 1922 practically all of our wood and paper products are admitted free of duty. The exports of these products in 1924 made up more than 50 per cent of Canada's exports to the United States; and consequently, with the addition of a few other commodities that are still either wholly free or mainly free of duty—as for example undressed furs, raw hides and skins, unmanufactured leather, binder twine, copper ore and blister copper, gold bearing quartz, nickel ore and matte, silver ore and silver bullion, cyanamid and settlers' effects—our good friends to the south permitted in the aggregate about 70 per cent of Canada's exports in these commodities to find a practically free market in the United States.

My suggestion is that we enable Canada to extend her trade within the empire by acting upon the principles enunciated in the government's own publication issued by the Department of Trade and Commerce, practise what they recognize the United States has practised against us, and raise the general tariff so that our agricultural interests in this country will be protected, despite the fact that we give remarkable concessions under this treaty.

Mr. HUBBS: I desire to point out to the Acting Minister of Finance the injustice this treaty does to the canning industry of the country. He no doubt is aware that one of the greatest industries in Ontario is the canning industry. The farmers all over Ontario, or at least the western and southern parts of Ontario, are dependent upon the canning factories to take the product of their farms. The tariff on canned goods, as the minister knows, is already too low. It is a cent and a half a pound. With reference to canned vegetables, why allow Australia to ship their canned vegetables into Canada free under this treaty? On canned fruits the

rate is half a cent a pound, while Australia puts up a tariff of eleven cents a pound. It seems to me, Mr. Chairman, it is a very unreasonable and one-sided proposition. I was glad the Prime Minister stated that if he found this treaty worked an injustice to any industry he would repeal it. My advice to him is to lock the door before the horse is stolen. What is the use of trying to save an industry after it has already gone into liquidation? I am satisfied that if this treaty is ratified a great injustice will be done to the canning industry of this country. If we allow Australia, with cheap water rates, to dump her canned fruit and canned vegetables into this country, untold damage will be done to our canning industry, and as I stated, the canning factory of Ontario is closely connected with the farmer and is of vital interest to him. If, as suggested by my right hon. leader, they had raised the duty equal to the duty going into the United States they could well afford to give Australia the preference of a cent and a half a pound which would not have worked an injustice to the canning industry of this country.

Mr. CHAPLIN: This treaty was made in September, and we tried, on more than one occasion after the opening of the House this session, to get information as to why it was not brought down, and we were told, as my leader said a few minutes ago, that the excuse of the acting minister for not bringing it down was that Australians wanted a provision that 75 per cent of all goods going there be made in Canada. I do not see anything in the treaty to bear out that information which he gave to the House. I think that when the leader of the opposition asked the minister a few minutes ago for an explanation in regard to this matter, the least he could have done was to have given some sort of explanation, but it has never been given. We have asked for information on many occasions as to the particulars of the treaty, and I find that on the 11th October in the government publication called the Commercial Intelligence Journal a resume was given of this Australian treaty. They were very particular in this journal to give all the advantages that Australia was giving to us. That was well advertised by the government. The government took great pains to make known all over Canada the advantages Canada was getting from this treaty. What was the reason for that? The minister told us the other day that the Manufacturers' Association and the paper people stated that the treaty suited them. Of course they only knew one side of the treaty. They never knew the disadvantages that other industries and other businesses in this country had to suffer because of this treaty.

Mr. CANNON: How does it compare with our loan to Roumania?

Mr. MEIGHEN: The hon. member for Dorchester should not complain of that, because he stated that it was an asset worth par.

Mr. CANNON: Let the hon. member answer for himself.

Mr. CHAPLIN: In the Commercial Intelligence Journal the statement was made that Canada is to extend to Australia the full benefit of the British preferential tariff. That was the statement made in the government's own journal in October, and they go on to relate in this organ that they are going to give this concession on raisins which was passed last year.

Mr. MEIGHEN: What is that document?

Mr. CHAPLIN: The Commercial Intelligence Journal, published under the Minister of Trade and Commerce, the Hon. Thomas A. Low, M.P., under date of October 11. That is the treaty that was passed in the Australian House, and the Prime Minister told us a few moments ago that, as regards all these further concessions we are making, because these are concessions, Australia will be kind enough to accept them. They will not refuse them. At least they have promised to pass them in the House. It is very considerate, when we give them nothing but concessions, they are willing to accept them without refusing. We were to give Australia the full British preference. What do we find now? Meats that were to have a duty of a cent a pound, have the duty reduced now to one-half cent a pound. But under this arrangement, under the proposition that was laid down in this journal at that time, these different products were to have an increase in duty. This was the proposition that was published and which the manufacturers of this country had heard about and passed judgment upon. They never passed judgment upon this treaty, nor sent their recommendations or acceptances of this treaty to this government with any knowledge of the present treaty. The thing is entirely different. It is not the same treaty at all. The item of canned meats is apparently one of the things that remain the same. There is a difference of about 2½ per cent. The duty

on lard is changed from one-half cent a pound in the former treaty to free. The duty on beeswax is the same. The duty on eggs has been reduced from one cent a dozen to free, and the duty on cheese from one cent a pound to free.

Mr. MEIGHEN: Between the old treaty and this?

Mr. CHAPLIN: Yes, but not between the British preferential and this. It looks to me as if they had three trials at a treaty, because in the first one they speak of the British preference. They have been negotiating right along, and they probably have had a dozen treaties but they do not tell us about them. We could not get the information at the time, but we were able to get it from an American journal. The Board of Commerce reports of October 6, six or seven days prior to the publication of this journal in a round-about way—no doubt they did not get it from this government, but they got it from somewhere else—published full details of the treaty. It comes from Australia, and this treaty as published from there is not the same as any of the others. In this particular volume they give the Australian concessions to Canada and the Canadian concessions to Australia. Our publication six or seven days later took very good care to cover up the Canadian concessions to Australia. We did not hear anything about them. They were covered up, as I stated before in the paragraph that we were to have nothing but the plain British preference. For my part, I can find no objection to that portion of the treaty that gives a preference to the fish producers or to the pulp and paper industry. But I take very strong exception to making the producers of fruits and vegetables the goat to carry the proposition for the other fellow. I want to put on record some telegrams that I have received from my constituency. I represent a riding that has twenty-five canning factories in it, and I also have paper industries. I doubt very much if there is another single constituency in Canada that has a larger paper industry than we have, I mean in volume of industry or in the spread of it. There is made in my riding and in the nearby constituency, kraft tissue paper, newsprint, writing paper, coated paper, papers that are waxed for carrying lard, butter and stuff of that kind. Therefore, I have both industries in my riding. I doubt very much if the paper industry, or even the fish industry, if they thought another very substantial industry in this country was going to be injured because of the benefit they were going to receive, would be so eager for this treaty to be brought into effect if they knew the whole story. The government took very good care, in any of their publications and as regards advising parliament, not to let the people know. The public do not know anything about the matter. In fact the farmers of the country did not know. This is a telegram which I received a day or so ago from a growers' co-operative association of Jordan:

> Understand Australian treaty before parliament Friday reduced duty on canned fruit from Australia to one-half cent per pound canned vegetables free desire to protest strongly against this reduction as it will seriously affect our industry and the industry of fruit raising in which many of your constituents are vitally interested. Trust you will use every effort to combat this.

Another one from a shipper who represents 300 growers and who ships for 300 growers:

> Reported proposed reduction to half cent pound in duty on Australian canned fruits and vegetables free fruit and vegetable growers now in serious financial condition and if proposed legislation goes through will without doubt cause great hardship to many growers.

I also want to read a telegram from a co-operative cold storage outfit in my city.

Mr. CANNON: Before the hon. member proceeds any further, rule 16, paragraph 202 states:

> It is not in order to read articles in newspapers, letters or communications emanating from persons outside of the House and referring to or commenting on, or denying anything said by a member or expressing any opinion reflecting on proceedings in the House.

We are not interested in what the constituents of my hon. friend might think of this treaty. We are interested in his opinion. If an hon. member is to be allowed to read before this committee all the letters or expressions of opinions of his constituents concerning this piece of legislation, when will the debate end? The hon. member may give his opinion and we shall listen to it. He is welcome to speak, so far as he is concerned, as long as he wishes, but according to this rule he is out of order in reading the telegrams he is now reading.

The CHAIRMAN: I should like to have an opportunity of listening to the hon. member a little further before giving a ruling.

Mr. CHAPLIN: I have heard many letters and telegrams read in this House respecting matters of a similar nature. If the hon. gentleman had not taken up as much time as he did, I would have been through. This last telegram is from the St. Catharines Cold Storage Company who represent 500 shippers. They wire:

> We desire enter emphatic protest against reported reduction duty on Australian fresh, canned and dried fruits as endangering the living of all Canadian fruit growers who are at present time suffering heavy losses

owing competition from United States. See car reports for arrival southern tomatoes which displace home grown hothouse tomatoes also American strawberries arriving this week Montreal and Toronto.

I do not object to the paper and the fish industries getting an advantage in the Australian market but I certainly object to the fruit growers and canning companies of this country having to pay for it. The acting minister (Mr. Robb) and the member for Marquette (Mr. Crerar) say that the importations will not amount to very much. Well, what did Australia make the treaty for? They are giving us some large concessions in pulp and paper and in fish. Are they doing that for nothing or do they expect some return? It is natural that they should expect something in return, and if they are to get it through shipping these canned goods in the quantities they no doubt expect to be able to send here it will do the people of this country a great deal of harm. The minister says that we are shippers of these goods ourselves. Do we not produce enough butter and eggs and other stuff of that kind in this country without giving an inducement to people outside to bring in more of it to add to competition here? Is there not competition enough in this class of goods without encouraging more from outside? When presenting this subject the other day the minister said that the reductions he proposed to make would reduce the cost of the breakfast table without injuring any industry in Canada. Now, if he is going to make these reductions in the cost of the breakfast table in the way he proposes does he mean to tell us that the farmer will get more for his produce? If the breakfast table in Montreal and Toronto is cheapened in regard to butter and eggs will the farmer get more for these commodities which he has to sell? He may do so in Chateauguay-Huntingdon but I doubt it, and he will find this out before long. If the cost of the breakfast table is to be reduced the difference will come out of the farmer's pocket and no other.

Mr. SUTHERLAND: In view of the statement made by the minister on March 16, I think the question put to him by the leader of the opposition and by another member deserves some attention. The leader of the opposition stated with regard to the delay in bringing on the treaty that the government of Australia after having passed their legislation had passed an order in council changing the percentage that would apply to goods coming under their tariff. Hon. gentlemen understand that under our tariff goods twenty-five per cent manufactured in the British

Empire are allowed the preference; and that was changed by Australia to seventy-five per cent, so that we are negotiating with them to have this matter more clearly defined. The minister on that occasion clearly misled the House, and he ought to make some explanation in regard to the situation to-day. He cannot afford to sit in his seat and allow challenges of this kind to be thrown across the floor, and expect parliament to adopt this treaty as it has been placed before us to-day, an entirely different treaty from the one made with Australia in the past summer as announced by the parliament of that dominion. Why has the change been made and Australia given better terms than they asked for when the first treaty was agreed upon? The statement of the minister on March 16 has not been substantiated.

Mr. ROBB: My hon. friend was not in his place a short while ago when I quoted the telegram which I have received from the commissioner to the effect that the same treatment extended to Great Britain and other British possessions will be accorded Canada.

Mr. MEIGHEN: If this was the reason for the delay during these six months why was it not stated in the new treaty?

Mr. MACKENZIE KING: In the course of his remarks my right hon. friend stated that there had been an intimation in the Speech from the Throne with regard to the Australian treaty.

Mr. MEIGHEN: And other treaties.

Mr. MACKENZIE KING: No mention was made of the subject.

Mr. MEIGHEN: It refers to certain treaties.

Mr, MACKENZIE KING: I beg my right hon. friend's pardon; it has no reference to the Australian treaty. The reason was that at the time the Speech from the Throne was being written Mr. Ross, the Australian trade commissioner, was with Mr. Logan in the West Indies. The government at that time had before them considerations of which it has since taken account with respect to the final negotiations in relation to the Australian treaty, and were waiting for the return of Mr. Ross from the West Indies to send him to Australia to conclude the investigations there. We were not certain how the investigations might turn out and mention was not made of the treaty in the Speech from the Throne.

Mr. MEIGHEN: I said that it referred to certain treaties, and I will read the exact passage:

> Your attention will also be invited, during the course of the session, to certain trade agreements, to legislation respecting the handling and marketing of Canadian grain and to other important matters.

Mr. MACKENZIE KING: My hon. friend spoke of the Australian treaty specifically.

Mr. MEIGHEN: I said the Australian treaty and others.

Mr. MACKENZIE KING: I am explaining to the House now, in order that they may appreciate the reason for the delay, that the government was considering at the time certain matters which it thought necessary to take into account, and it was desirable that Mr. Ross should go to Australia to explain things in a verbal way which would have been impossible by cable. We therefore had to wait until his return from the West Indies.

Mr. SUTHERLAND: Was not the question, which it was necessary to explain, the intention of the present government to give Australia better terms than they would have got under the former treaty? The minister certainly has not justified the delay in this matter. No evidence has been submitted to show that the government ever had any intimation that Australia was going to or had passed an order in council to that effect. So far he has made no reference to the order in council which he claimed had been passed by Australia. I have listened to the Prime Minister's explanation or his justification for making this treaty, in the course of which he dilated upon the "larger vision of imperial trade." Apparently this was the impelling motive in the minds of the government when negotiating this treaty. It has been pointed out that the balance of trade is very largely in our favour. Surely this is nothing to be regretted. We ought to be able to find profitable business somewhere in the world. There are a sufficient number of obstacles in our way without adding to them. The dairy industry is very materially affected by this treaty according to the statement published in the produce market report for June 10 issued by the Department of Agriculture. It shows that Canada has been exporting butter to twenty-two countries in an endeavour to find markets, and I notice also that in the Dairy and Cold Storage branch report for June 20, 1925, the following reference is made to the cheese market in Canada.

> The final report of the Dominion Bureau of Statistics issued on the 20th inst. shows the stocks of cheese in all Canada on June 1, 1925, were 15,421,532 pounds, as compared with a five year average on the same date of 5,805,099 pounds—

or three times the quantity which is usually held in cold storage at that time. But there is this rather significant comment:

> The heavy increase in holdings is no doubt due to heavy stocks of cheese imported for the purpose of manufacturing "process" loaf cheese.

So that we are to-day importing large quantities of cheese, in fact one consignment alone of 29,452 boxes came into Montreal recently, and we have at the present time ten million pounds more cheese in cold storage in Canada than there has been on an average for the past five years. And we are asked not to be concerned about this treaty. "That it is an experiment, and if you do not like it after a while you can change it for something else, but it is the best we could do for you." It is not the best. The government had a better trade treaty with Australia six months ago, but they chose not to put it into effect. They are apparently deliberately sacrificing the primary industries of this country for some ulterior motive. So far they have not offered any justification for what they are attempting to do. But the Prime Minister states, "If you let this chance go by it may never come again." I never heard anything sound so much like a gold brick story. It is similar to what we heard when the transcontinental railway was being built. Then we were told that if we missed that, the greatest opportunity of our lives, we would forever regret it. And the Prime Minister now states, we are about to miss another opportunity if we do not allow this treaty to pass. If not, Australia may do something terrible to prevent us doing business with her. Evidently the impelling motive in the minds of the government in pushing forward this treaty is the paper interests. The influence which has been brought to bear upon them has assuredly been from those interested in that industry. Why is it that Australia discriminates against Canada to the extent of three pounds per ton on paper? Have hon. gentleman ever asked themselves that question? Pulp and paper can be shipped from the United Kingdom into Australia free. Now the government are anxious to secure a reduction of the tariff against our pulpwood, and to do so they are going to sacrifice our primary industries. The Minister of Trade and Commerce in Australia knew very well his country was getting the best of the bargain when he submitted the treaty to parliament. He realized the difficulty the Canadian government would have in convincing any sane person in this Dominion that the treaty was

of any advantage to Canada. Speaking on September 26 last, he said:

> Taking a general view of the position, we find that the commonwealth is chiefly concerned with the opening up of wider markets for her primary products.

The object of Australia is quite apparent.

> In the present stage of our secondary industries, concessions by Canada to our manufactured goods, on however generous a scale, possess no attraction. On the other hand, Canada is looking for a more extensive market for her secondary products, as her trade with Australia consists almost wholly of manufactured goods. We can readily imagine that the concessions proposed by Canada on primary products, of which she is a large producer, will lead to criticism by representatives of Canadian primary producers on the ground that their interests are being sacrificed to Canada's need for markets for manufactured goods.

And our government are prepared to sacrifice the interests of Canadian agriculture in order to obtain some concessions for other industries I listened to the argument advanced by the member for Fort William and Rainy River (Mr. Manion), in the course of which he referred to our vast territory of forest wealth. Well, is it necessary that we should immediately realize on all this forest wealth? We have vast agricultural areas to-day that are not being properly developed for lack of population, and we can well afford to retain some of these forest resources for a time instead of allowing the speculator to acquire vast concessions and so be in a position to bring influence to bear on the government,—such as has been brought to bear in this instance by the manufacturers of pulp and paper, or this treaty would never have been submitted to this parliament at a time, when parliament should have been prorogued weeks, yes, months ago, if the government had had the courage of their convictions and had been honest with the representatives of the people. This matter should have been brought down early in the session. The government have acted in a manner that demands some explanation on their part to the people of Canada. They should show why they abandoned the treaty which they made a year ago, and which was all ready to submit to parliament at the opening of the session. They have deliberately withheld information that was at their disposal, and they have now made a much worse agreement. We should like to know how much further they intend to go. We are told in this resolution that this concession shall not only apply to Australia, but to New Zealand, and other British dominions to be designated by order in council thus indicating how little is the consideration agricultural interests are receiving at the hands of the government.

What has been the guiding principle which has actuated the government in making this treaty, or in any trade arrangements they have made since coming into office? There must be some basis to proceed upon; some well defined objective in view. If there is a well-defined principle or policy, surely this House is entitled to know something about it. But instead we have the ministers sitting in their seats as dumb as oysters without defence. Such a spectacle, I venture to say, has never before been witnessed in any British parliament. The day will come however when the government will have to reckon with a superior authority, the people, and give an account of their conduct. They have continued to carry on with the support of the Progressive party, with whom they have evidently had an understanding ever since the beginning of this parliament. It has been a case of bargaining and bartering from start to finish. And here at the close of the last session of this parliament they are going to perpetrate one of the grossest, most unfair and most iniquitous measures ever imposed upon the people of Canada. It has been said by a member of the government that one of three destinies is in store for Canada—maintenance of the status quo, independence, or annexation to the United States. The people of this country may well ask themselves the question "Where are we drifting?" What is the impelling motive behind the actions of the government? Are we to have important interests of this country sacrificed by such an iniquitous measure as this? The members of this House are entitled to an explanation why the government are asking parliament to adopt a measure which is at least fifty per cent less in our favour than the treaty which was announced in Australia in September of last year, as having been made with Australia? Why have they made the change? At whose dictation? Why are they asking for power to make it possible for Australia, New Zealand and other British countries to bring their produce into Canada under a tariff arrangement such as we have here? Some hon. members say that Australia does not produce very much; you do not need to be afraid of Australian competition. During the past two years we have done a substantial business with that country. In 1920-21 they imported £4,425,000 worth of products from Canada; the next year £3,146,450 worth, the next year £5,064,253 and the next year £5,046,-519. In 1923-24 they imported of similar commodities from the United States £34,-

556,000 worth, and their exports to the United States amounted to £7,109,000. It is true that their exports to Canada have fallen off during the past two years, but let me mention, according to the Australian trade returns, some of the things of which they are large exporters and on which it is intended by this treaty to give them a preference. Of beef, by cold process, they exported 152,950,667 pounds, for 1922-23; of lamb, 82,987,000 pounds, and of mutton 84,624,000 pounds. A considerable quantity was shipped to Canada in addition to the amount I have given. Of canned meats they exported 11,014,848 pounds; of butter, 79,571,151 pounds. Their exports of beef cattle are rather significant. You would hardly expect Australia to be shipping cattle into this country, but the trade returns of Australia show that there were exported from that country in 1922-23, 651,888 cattle hides, and in 1923-24, 773,691. Of these a considerable number were shipped to Canada.

Mr. MALCOLM: I must correct the hon. gentleman's figures. I have here the official year book of the Commonwealth of Australia, giving the figures of exports of animals from Australia for the year 1922-23, and it shows that their total export of cattle in that year was 13,318.

Mr. SUTHERLAND: Then the return published by the Australian government is not correct. The figures I have quoted are to be found in the Australian oversea trade returns. I copied them a few days ago and I am sure they are correct. The exports of sheep hides, without the wool, amounted to 9,610,335, and of that number 139,973 were shipped into Canada in 1922-23. I am satisfied that the supporters of the government in this House do not realize the danger to which we are being subjected by a treaty of this kind. You are practically removing a very, very low tariff indeed in connection with meats, such as Australia can produce at little or no cost at all, where sheep graze all the year round, and it is simply a matter of rounding them up. The sole value of many of their flock of sheep is considered to be in the wool, and very little or no value is attached to the carcass. Now if they can find a market for their mutton and lamb in some other country, they will be only too glad to avail themselves of the opportunity.

Mr. ROBB: I fear my hon. friend has unintentionally left a wrong impression on the committee. He was giving the exports of cattle and sheep from Australia, and he quoted figures running up into the hundreds of thousands. The total importations from all countries of cattle into Canada in the year ending March 31, 1925, were 214 only, and they came from the United States.

Mr. SUTHERLAND: The year I gave was 1923-24.

Mr. ROBB: My hon. friend also quoted figures up in the thousands for sheep. There were no sheep imported into Canada from any other country except the United States, from which we got 1,576.

Mr. SUTHERLAND: I can only reaffirm that my figures were taken from the trade returns of the Commonwealth of Australia.

Mr. ROBB: I am giving you our figures.

Mr. SUTHERLAND: I was giving the figures for the years that I mentioned. Of currants we imported 96,320 pounds in 1923-24 and 184,800 pounds in 1922-23.

The fact that we are asked to include in this treaty a clause which enables the government by simply passing an order in council to make similar trade arrangements with any other British country shows how far-reaching this proposal is. I have expressed my opinion regarding the treaty. I have expressed also my disappointment regarding the attitude of the government and their failure to give any reasonable explanation as to why such an agreement has been made. I am sure a great injury will be done to an industry that finds great difficulty in carrying on at the present time. Labour conditions in this country to-day are such that those engaged in agriculture are carrying on very largely short-handed, doing what little work they can, because the returns from the farm will not enable them to pay the wages which are determined by the scale that has been fixed by the government in the civil service of this country and on the railways in this country and elsewhere. The eight-hour day, and the six-hour day in many cases, is in effect, and agriculture has to compete. And now the government have signified their approval of a scheme for old age pensions in this country. We have reached the stage, Mr. Chairman, where something will have to be done. If we are going to carry on at all, labour of certain classes cannot continue to receive the consideration it has been receiving. Wages must come down in this country to a competitive basis if we have to compete with cheap production in foreign countries, speaking with regard to agriculture. People find it difficult to carry on as they could do in years gone by; this would not be possible except for improved machinery

which enables a man or a boy to do the work that it took three or four men to do a few years ago. The country has become overrun with noxious weeds.

Some hon. MEMBERS: Oh, oh.

Mr. SUTHERLAND: My hon. friends may laugh and "ha, ha." It is a great joke, I suppose, but you can travel this country from one end to the other, and wherever you go you will see this is the case. The farmers of this country are carrying a heavy load and the government are not attempting to relieve them in the slightest but are making it more difficult for them.

Mr. HEALY: I rise to a point of order, Mr. Chairman. My point is that a discussion of noxious weeds has nothing to do with this treaty.

The CHAIRMAN: I think the hon. member mentioned that only incidentally.

Mr. SUTHERLAND: Anyone who has knowledge of the rules of the House knows there was no justification for the hon. member rising to a point of order. Only one deduction can be drawn, and that is that he rose just for the purpose of interrupting.

Mr. HEALY: Not at all. I shall be glad to apologize if the hon. gentleman can show me any connection between noxious weeds in Canada and the Australian treaty.

Mr. SUTHERLAND: I am saying it is absolutely impossible for the farmers of this country to continue to carry the load they are carrying to-day. Their industry has been neglected, and as an evidence of that you can see noxious weeds flowering in this country everywhere.

Mr. ARCHAMBAULT: Not in Quebec.

Mr. SUTHERLAND: The only hope for agriculture in this country is to develop the live stock business and put it on a profitable basis. In many sections of the country lands that were neglected and practically ruined a few years ago by grain growing have been partially reclaimed by such a process, but the government are going to make it difficult if not impossible for this to go on.

I spoke on this question yesterday, but in view of the attitude of the government, in view of the absence of any reasonable justification offered by the Prime Minister and the Acting Minister of Finance for this trade agreement, and realizing the seriousness of the situation, I have felt compelled to voice my protest against this most iniquitous measure which the government are now endeavouring to force on the country.

Clauses 1 to 6 inclusive agreed to.

Schedule 1 agreed to.

On schedule 2:

The CHAIRMAN: An amendment will be necessary to this schedule; after item 86 add "87a, Onions in their natural state, free".

Mr. ROBB: I ask the unanimous consent of the House to make this amendment, which is merely to correct a clerical error.

Amendment agreed to.

Schedule as amended agreed to.

Resolution reported, read the second time and concurred in. Mr. Robb thereupon moved for leave to introduce Bill No. 238 respecting trade relations with Australia.

Motion agreed to, and bill read the first time.

Mr. SPEAKER: When shall the bill be read the second time?

Mr. ROBB: I move that the bill be now read the second time. I would ask the unanimous consent of the House to the second reading now, as I wish to advance some other measures a stage.

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

YEAS

Messrs:

Archambault,	Humphrey,
Baldwin,	Jacobs,
Béland,	Johnston,
Benoit,	King, Mackenzie (York),
Binette,	Ladner,
Black (Yukon),	Lanctôt,
Boivin,	Lapierre,
Bouchard,	Lapointe,
Boucher,	Lavigueur,
Cannon,	Low,
Cardin,	Macdonald (Pictou),
Carruthers,	MacLean (Prince, P.E.I.),
Casgrain,	McBride,
Chevrier,	McConica,
Clifford,	McCrea,
Copp,	McIsaac,
Crerar,	McKay,
Delisle,	Malcolm,
Denis (St. Denis),	Manion,
Desaulniers,	Marler,
Descoteaux,	Michaud,
Fafard,	Morin,
Fiset (Sir Eugene),	Motherwell,
Fontaine,	Murdock,
Forrester,	Ouimet,
Fournier,	Papineau,
Gendron,	Parent,
Gervais,	Pouliot,
Gordon,	Power,
Graham,	Prevost,
Hammell,	Rankin,
Hanna,	Raymond,
Healy,	Rinfret,

Robb,	Sinclair (Oxford),
Roberge,	Sinclair (Queens, P.E.I.),
Robichaud,	Snowball,
Robitaille,	Stewart (Argenteuil),
St. Père,	Thurston,
Séguin,	Tobin,
Simpson,	Vien.—80.

NAYS

Messrs:

Anderson,	Lucas,
Bird,	McKillop,
Bowen,	McTaggart,
Boys,	Maybee,
Brethen,	Meighen,
Brown,	Preston,
Campbell,	Ross (Kingston),
Chaplin,	Senn,
Charters,	Speakman,
Drayton (Sir Henry),	Spence,
Fansher,	Spencer,
Gardiner,	Steedsman,
Garland (Bow River),	Stewart (Hamilton),
Good,	Stewart (Humboldt),
Gould,	Stewart (Leeds),
Hubbs,	Stirling,
Irvine,	Sutherland,
Kennedy (Port Arthur & Kenora),	Wallace,
	Ward,
Leader,	White,
LeSueur,	Woodsworth.—42.
Lovie,	

PAIRS

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

Messrs:

Ministerial:	Opposition:
Kay,	Wilson,
Power,	Mewburn,
Chisholm,	Doucet,
Lovett,	Grimmer,
Duff,	Black (Halifax),
Kyte,	Hocken,
King (Kootenay),	Baxter,
Marcil (Bonaventure),	Stevens,
Putnam,	Hanson,
McGiverin,	Beaubien,
Hatfield,	Arthurs,
Martell,	Bancroft,
Kelly,	Carmichael,
Finn,	Davies,
Carroll,	Sales,
Laflamme,	Warner,
Logan,	Hopkins,
Mercier,	Lewis,
Pelletier,	Black (Huron),
Deslauriers,	Coote,
Denis (Joliette),	Kennedy (Edmonton),
Marcile,	King (Huron),
Fortier,	Hodgins,
Murphy,	McQuarrie,
Chew,	Clark,
Ethier.	Evans.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Gordon in the chair.

On section 5.

Mr. ROBB: I wish to direct the attention of the committee to a clerical error in this sentence. It reads the "Customs Tariff Act." The word "act" should be struck out, and it should read "Customs Tariff."

Amendment agreed to.

Section as amended agreed to.

On the Title.

Sir HENRY DRAYTON: We have the government's undertaking that the bill is exactly the same as the resolution in all particulars, as regards not only the schedules but the different paragraphs?

Mr. ROBB: That is as I understand it, with the amendment I made a few moments ago.

Bill reported, read the third time and passed.

On motion of Mr. Mackenzie King the House adjourned at 1.30 a.m.

Wednesday, June 24, 1925

The House met at eleven o'clock.

REPORT—MISCELLANEOUS PRIVATE BILLS

Thirteenth report of the select standing committee on Miscellaneous Private Bills.—Mr. Raymond.

HOUSE OF COMMONS

REPORT ON ORGANIZATION OF THE STAFF

Mr. SPEAKER: I have the honour to lay on the table the usual report of the organization of the staff of the House of Commons.

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals) moved:

That the House doth concur in the report of the organization of the staff of the House of Commons.

Mr. SPENCER: We did not hear what this was.

Mr. SPEAKER: Every year at the beginning of the session the Speaker tables the report of the Internal Economy Commission, and it is more regular that at the end of the session the report of the organization of the staff of the House of Commons be tabled. It contains nothing except what is statutory.

Motion agreed to.

QUESTION PASSED AS ORDER FOR RETURN

CANADIAN NATIONAL RAILWAYS—AMQUI STATION

Mr. PELLETIER:

1. How much freight, in pounds, was forwarded from Amqui Station, county of Matapedia, in thes years 1922, 1923 and 1924, respectively?

2. What revenue did the Canadian National derive from above shipments?

3. How much freight, in pounds, was forwarded C.O.D. to said station, and what revenue did the Canadian National Railways derive from said freight?

4. How much freight, in pounds, was received C.O.D. at said station, and what revenue did the Canadian National Railways derive from said freight?

5. What revenue did the Canadian National Railways derive from, (a) goods by express, (b) telegrams, (c) sale of express orders, for the above years, respectively?

6. What was the revenue of the Canadian National Railways on the sale of tickets, at said station?

7. How many freight cars were forwarded and how many received during said years?

8. How many sidings are there at Amqui?

ALBERTA COAL

On the Orders of the Day:

Mr. T. L. CHURCH (North Toronto): Some time ago the Canadian National Railways entered into an arrangement with the government of Ontario to carry 25,000 tons of Alberta coal to Ontario for $7 per ton, as an experiment and demonstration. I have in my hand a copy of a telegram from the acting premier of Ontario and the mayor of Toronto, Mr. Foster, that this arrangement has been withdrawn. The railway in question promised a similar demonstration to the Coal committee of this House to aid a national coal supply. Has the arrangement referred to been cancelled? If so, by whom, and why?

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Reference was made to that the other day. It is an arrangement between the railways and other parties. A hitch seems to have occurred in some way. I am not familiar with the particulars.

INQUIRY FOR RETURNS

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): I notice that the order "motions" has passed to-day and nothing is down. It really looks as if the government were deliberately flouting the orders of the House. Motions that passed three and a half months ago entailing very little work are called attention to time after time, and nothing follows at all. It really means this, that the government do not want to bring them down and are going to defy parliament. I call attention also to a question which I have had on the order paper since the 10th June. One would think if any question ever was simple, this is:

What sums in addition to the estimates has the government requested parliament to authorize payment of in government measures during the session of 1925?

The government apparently have kept track so little of their own measures that in fifteen days they cannot compile an answer to that question.

Hon. ERNEST LAPOINTE (Minister of Justice): Will my right hon. friend not see that for himself in the Votes and Proceedings?

Mr. MEIGHEN: I am not in the government. I have not a horde of officials at my back to do this work.

Mr. LAPOINTE: Anybody can get that from the Votes and Proceedings.

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): My right hon. friend should not say a "horde" of officials. The same officials serve the present government as served his, only they are not so big a "horde." I will call the attention of the ministers to these returns. I think they ought to be brought down. Of course, some very innocent looking returns on paper, when you come to have to chase all over Canada in the different ramifications of a department inside and outside, mean a good deal more than they appear to mean. As to the expenditure in bills, I should think an answer could not really be compiled until we discover what is going to be done in regard to the Home Bank.

Mr. MEIGHEN: It is the government's requests I ask for, not what goes through.

Mr. GRAHAM: Then my right hon. friend would speak up rather glibly, as he did in regard to Carillon, and say, that these requests having been made they would also be granted.

Mr. MEIGHEN: Your right hon. friend did not do anything of the kind. The minister could not criticize one sentence his hon. friend said, and did not attempt to do so.

Mr. GRAHAM: Perhaps I should not say it was my right hon. friend. I will excuse him, but evil communications sometimes get the right man in the wrong place.

PULPWOOD CONCESSIONS IN MANITOBA

On the Orders of the Day:

Mr. L. P. BANCROFT (Selkirk): Has the government received an application for the establishment of another pulp mill in greater Winnipeg or Selkirk, and if so, is it considering the advisability of granting sufficient pulpwood and water-power?

Mr. GRAHAM: My hon. friend will find a similar question answered in yesterday's Hansard.

Mr. MEIGHEN: The question yesterday was as to whether or not the lease to Mr. McArthur or to the Spanish River Company, whichever it is, prevented the granting of any lease to others. The inquiry yesterday was whether there was an application for another lease, to which the answer was "yes". But that does not cover all that my hon. friend asks.

Mr. GRAHAM: I will call the attention of the Minister of the Interior (Mr. Stewart, Argenteuil) to the question.

Mr. MEIGHEN: I suggest that perhaps it might be well not to sit so late that the ministers cannot be down when the House opens.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg) Is the Minister of Labour prepared yet to make a statement as to the conditions in Cape Breton and the result of his mission there?

Hon. JAMES MURDOCK (Minister of Labour): There is nothing further at the moment to add to the statements already made except that last night I wired again to the district board of United Mine Workers to ascertain when they would be in a position to resume the consideration of negotiations looking to a settlement. My hon. friend understands that the miners locals and possibly the miners individually through a referendum, are considering the proposals that are now before them for settlement.

Mr. JACOBS: Was the Minister of Labour in Cape Breton officially or as amicus curiæ?

PAY OF PERMANENT FORCE

On the Orders of the Day:

Mr. GEORGE BLACK (Yukon): Early in May I put three questions on the order paper concerning rates of pay of the permanent force. After leaving the question unanswered until May 20, the Minister of National Defence (Mr. Macdonald, Pictou) allowed them to pass as orders for returns, but since that time no return has been brought down. The same questions were put on the order paper last session and systematically disregarded. The minister was asked these questions during the discussion of his estimates and he promised to put a statement on Hansard. This also he systematically ignored. I would ask the government to table the information. Will these returns be brought down before the estimates for national defence are taken up? That will be the appropriate time to have them.

Mr. SPEAKER: Orders of the Day.

Mr. MEIGHEN: Is there no answer to my hon. friend's question?

Right Hon. W. L. MACKENZIE KING (Prime Minister): The Minister of National Defence is not in his seat, but I may say that I heard him remark yesterday that he had a return or two to bring down and would probably table them later. I hope that the ones to which my hon. friend refers are among the number.

CANTEEN FUNDS

SENATE AMENDMENTS TO BILL NO. 32

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 32, respecting the disposal of the canteen funds.

He said: Perhaps a word of explanation might be in order. The House will remember that the bill as originally presented to the House of Commons received more than ordinary attention. It provides for the disposal of canteen funds amounting to about $2,350,000 more or less, and the Senate has amended it in one important respect. There are other amendments of minor importance but the one to which I refer is the amendment which removes from the bill the cause or subsection providing that an amount of $100,000 shall be placed in the hands of the central board of trustees for the maintenance in Ottawa of a central adjustment bureau. The Senate has found it advisable to remove that feature from the bill. If I read the subsection perhaps hon. members will more readily understand the nature of the change:

> That the sum of $100,000 shall be allotted and paid to the central board of trustees to be expended by such board from time to time in such amounts and in such manner as it may be deemed best for the maintenance and assistance of an adjustment service and bureau at Ottawa for the benefit of ex-members of the forces and their dependents.

This has been deleted. The Senate has also struck out the provision contained in section 3 for the appointment by the Governor in Council of a central board of trustees. If therefore we accept the amendments of the Senate this amount of $100,000 will not be handed over to anyone except to the parties mentioned for the general distribution, that is to say, the provincial governments. In this connection I have received a communication dated June 10, on behalf of a number of soldier organizations in Canada. Perhaps I had better read it:

Dear Sir,—At a meeting of the representatives of the Dominion chartered associations enumerated below held at the Trusts Building, Ottawa, on Monday, June 8, the following resolution was passed unanimously:

"That the time has arrived when no further grants be made by the government from canteen or public funds to any veterans' association for the purpose of establishing and maintaining a service or adjustment veterans' bureau in Ottawa."

That communication is signed by the acting-secretary, Mr. Keeling, who states that the following representatives were present: One from the Canadian Legion, one from the Army and Navy Veterans, one from the Grand Army of United Veterans, one from the Amputations Association, one from the Tuberculous Veterans' Association. These different bodies were represented at that meeting and expressed the view that no canteen funds should be appropriated for the purpose of maintaining an adjustment bureau, at least so far as they were concerned. The only large association that does not appear to have been represented at the meeting is the Great War Veterans' Association. I have not read the evidence given before the Senate committee, but I am informed that the secretary-treasurer of the Great War Veterans' Association in his testimony stated that the association did not desire to administer the adjustment bureau. It would appear therefore that the veterans generally are more or less hostile to the adjustment bureau. This clause I introduced on the suggestion of the royal commission. In view of these circumstances, I do not think it would be in order to ask the House to pray the Senate to desist from their amendment.

There is another amendment by the Senate which perhaps is a little more embarrassing. A sum of five thousand pounds was handed to His Excellency the Governor General from the United Services Fund of England for distribution amongst ex-imperial soldiers in Canada. I understand the money has been placed by His Excellency in the hands of the Receiver-General, with an intimation to the government that appropriate action would be taken for its distribution. The Senate has removed this feature from the bill. No reason is given for their action, except that the distribution was to have been made by the Central Board of Trustees. If the bill passes in its amended form there will be no provision at all for the distribution of this five thousand pound fund, except in so far as the government may think proper to proceed after prorogation. I cannot say at present what action we will take with respect to it. I may say, however, that I would be inclined to hand over the five thousand pounds to the Canadian Red Cross Society for distribution.

[Mr. Béland.]

Mr. POWER: Has this grant, made through His Excellency the Governor General, any strings attached to it?

Mr. BELAND: There is no special condition attached to the transfer of the money.

Mr. MACLEAN (York): Where should it go?

Mr. BELAND: For the benefit of ex-imperial soldiers and their families in Canada.

Mr. CALDWELL: From what source did this five thousand pounds come?

Mr. BELAND: From the United Services Fund—originally from that part of the canteen fund which was allotted to the United Kingdom.

There is another amendment by the Senate that the sum of fifteen thousand dollars be repaid to the disablement fund in reimbursement of the loan made by the trustees of the fund to the Dominion Veterans' Alliance. I am thoroughly in agreement with this.

Mr. CLARK: Is that to be paid out of the consolidated revenue fund or out of the canteen funds?

Mr. BELAND: Out of the canteen funds.

Mr. CLARK: Why?

Mr. BELAND: That is the recommendation of the Senate. As the one hundred thousand dollars which was destined to the central board of trustees for the maintenance of a bureau in Ottawa has been deleted from the bill, apparently the Senate thought it proper that the Disablement Fund should be reimbursed in this way.

Mr. CLARK: I agree with the reimbursement, but I think it should be reimbursed out of the consolidated revenue fund. I cannot see what liability the canteen funds are under to reimburse the money.

Mr. BELAND: With all due respect for my hon. friend's opinion, I really think it was a proper provision for the Senate to make.

Mr. ARTHURS: Does this item of $15,000 cover all the advances?

Mr. BELAND: Yes, with the exception of $5,000 which was provided by a special vote of the House two years ago.

Motion agreed to; amendments read the second time and concurred in.

PENSION ACT AMENDMENT

SENATE AMENDMENTS

On the Order: Consideration of amendments made by the Senate to Bill No. 70 to amend the Pension Act.

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): Mr. Speaker, there is a small amendment made to clause 1 which I do not consider of any importance. It is the removal of the words, "or attributable to," which we inserted in this House. Clause 3 has been struck out. It provided for an extension of five years for the payment of pensions to dependents of pensioners in classes one to five. I shall have a word to say about this amendment a little later on. The Senate has also amended section 13 of the act, providing that applications for pensions may be received within seven years after the date of discharge. This is quite agreeable to me and, I think, should be to the House.

Mr. POWER: Will this have the effect of increasing the number of pensioners, and therefore the charges on the revenues of the country?

Mr. BELAND: It will to a certain degree.

Mr. POWER: If so, has not the Senate initiated a money bill?

Mr. BELAND: My hon. friend's point is perhaps well taken. But the Pension Act may be said to be different from any other act, because the payment of pensions is really in charge of a body which has judicial functions beyond the power of parliament. Another amendment which has been made has relation to marriage after the appearance of disability. This question of the payment of pension to widows whose marriage to the returned man took place after the appearance of disability has engaged the attention of parliament more or less since 1919, and there has been a wide difference of opinion with respect to it, both in the parliamentary committee and on the floor of the House. It is a very important clause. I remember when we discussed it in the first instance the hon. member for South Simcoe (Mr. Boys) said that the clause was certainly not clear. It is very involved indeed. In view of the number of amendments to the Pension Act this year, however, that are really favourable to the returned men generally I do not thing we should ask that the Senate desist from this amendment. Section 10 of the bill which is deleted by the Senate amendments, provides for the payment of pension to widowed mothers who become dependent after the death of the son. I may say that the office of the minister is deluged with correspondence from all over the country, much of it consisting of complaints with regard to the provisions of the act, or the action of the Board of Pension Commissioners, but I do not think I have received a single complaint from widowed mothers who had become dependent and who had been awarded a pension below the maximum. I believe they have received pensions commensurate with their need, and I do not think we should insist that this clause remain in the bill. Another amendment made by the Senate is of a more serious character. It is to section 16 and has relation to appeals to the Federal Appeal Board. The Board of Pension Commissioners have decided in some cases that pensions could not be awarded where the disability was the result of misconduct. In every case where such a decision was brought to my attention and the soldier thought he had not been fairly dealt with, I advised an appeal, and in some cases where appeal was taken the appeal board sustained it, that is, declared that the disability was attributable to military service. The Board of Pension Commissioners, however, have taken the ground that from a decision on their part that a disability was the result of misconduct there is no appeal; that such a matter is beyond the jurisdiction of the Federal Appeal Board, and the Justice department have upheld that view. But I do not think it is fair that a man whose application is turned down by the Board of Pension Commissioners because his disability is alleged to be the result of misconduct should have no appeal. We had provided in the bill as follows:

> "Upon the evidence and record upon which the Board of Pension Commissioners gave their decision an appeal shall lie in respect of any refusal of pension by the Board of Pension Commissioners on the ground that the injury or disease or aggravation thereof resulting in disability or death was not attributable to or was not incurred during military service or was the result of misconduct."

These last six words, which are added to the former clause, have now been deleted by the Senate, so that where the Board of Pension Commissioners decide that a man's disability is the result of misconduct he is precluded from appeal. In my opinion, where a man is turned down on that ground the decision means that his disability is not attributable to military service, but if the decision were simply that his disability was not attributable to war service, he would have an appeal under the act. According to the Justice department he has

no appeal where the ground for the rejection of the application is that the disability was the result of misconduct. I think, therefore, that we should ask the Senate not to insist on that amendment. There are only twelve cases involved, I understand, but even twelve cases should not be wrongly dealt with. It does not mean that these men will receive pension or will not; it simply means that when the board decides that the disability is the result of misconduct, if the soldier holds that the disability is not the result of misconduct but is attributable to service, he should have the privilege of appealing to the Federal Appeal Board.

Mr. ROSS (Kingston): They have changed the original clause, too.

Mr. BELAND: In what way?

Mr. ROSS (Kingston): They have left out the words in line 16 "not attributable to or was," referring to a disability incurred through military service.

Mr. BELAND: Yes.

Mr. ARTHURS: What proportion of cases awaiting appeal are affected by the change in the original clause, by the deletion of the words "not attributable to"? I think that is a more serious change than the one regarding misconduct. It makes a very serious change not only in the existing act but in the amendment passed by this House.

Mr. BELAND: My hon. friend will remember that the bill as originally brought down to the House did not contain the words "not attributable to" and it was suggested by my hon. friend himself, or by the hon. member for Kingston (Mr. Ross), that we should insert those words. I at that time held the view that if we said "was not incurred during military service," that covered the whole ground, and I still hold that view. The phrase has a wider interpretation.

Mr. ARTHURS: I think the hon. member for Kingston and myself disagree with the minister very seriously there, because cases arise—and there are now cases in appeal—where there was no manifestation of the disease during military service, and the whole case turns on the question of attributability. I thought, and I still think it would be wise to retain these words.

Mr. BELAND: I have no objection to asking the Senate to leave in those words. I do not think there would be very much objection to that. But I would point out that even if the disease manifests itself long after discharge, a decision must be given as to whether it was incurred during military service or not, and in my humble opinion the words my hon. friend suggests have a narrower interpretation than the phrase "incurred during military service." But, at all events, that is a matter that can be adjusted in the motion.

The Senate has agreed with very important clauses that we have passed at this session. For instance, the House has made the bonus a permanent part of the pension this session; that clause has been left intact by the Senate. That is clause 13. Another amendment dealing with venereal disease contracted prior to enlistment which was passed by the House has also been left intact. Another clause which deals with tubercular pensioners and the payment of pensions to them after discharge from hospital has also been respected in its entirety by the Senate. There was also a new provision that an allowance for wear and tear for clothing should be made in amputation cases; that has also been left in its entirety; also the payment of pensions to parents who are in dependent circumstances, when the son still living is by reason of certain circumstances unable to provide for their support has been left intact.

The House will remember that we made an important amendment this year which provided for no cancellation of pension in the case of an alleged prostitute until the opportunity had been offered to the woman to present her defence. That also has been maintained. I move:

That a message be sent to the Senate to acquaint Their Honours that this House hath agreed to the second, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth, fifteenth, eighteenth and nineteenth of their amendments to the Bill No. 70, An Act to amend the Pension Act, and hath disagreed to the first amendments for the following reasons:

1. In section one, the words "was attributable to or" should not be deleted as it is claimed a disability may make its appearance long after discharge and the words "incurred during military service" if they are the only ones left, may lead to narrower an interpretation.

And hath disagreed to their third and fourteenth amendments for the following reasons:

2. Sections 3 and 9 should be reinstated: They provide for payment of pension to dependents upon the death of pensioners in classes 1 to 5 regardless of whether the death is a result of military service or not. It is represented that high disability pensioners are less than others in a position to provide in advance for their dependents.

And hath also disagreed to their sixteenth and seventeenth amendments for the following reasons:

3. Section 16. The words "not attributable to or was" in the 16th line, and "or was the result of misconduct" in the 17th line, should not be deleted for the reason that a decision of the Board of Pension Commissioners to the effect that the disease is the result of misconduct is equal to a decision that the disability is the result of an injury or disease

"not attributable to military service" and in such a case there should lie an appeal to the Federal Appeal Board.

Motion agreed to.

CANADA TEMPERANCE ACT AMENDMENT

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of Bill No. 209, to amend the Canada Temperance Act.

Mr. S. W. JACOBS (George Etienne Cartier): I would like to say a word in opposition to the principle of this bill. I am afraid that I am rather in a minority in this House on the question, but nevertheless with the feeling that I am right, I am going to put before the House the proposition which I think ought to govern in this case. This bill, or a similar bill, has been before the House for the last three or four years. It seeks to give the attorney general of the province where it is going to be put into effect the right to declare prohibition by order in council. Up to the present every province which has prohibition in force has had first to obtain from this parliament the right to hold a plebiscite, and when the plebiscite was granted and a vote was taken in the province upon it, they had the right to put prohibition into effect. But under the present legislation no plebiscite will be necessary. The parliament of Canada gives to the province the right to say that, upon an order in council being passed by the province without any plebiscite, prohibition will go into effect, and furthermore it also gives the province the right to revoke this prohibition and put the province in the same place as it was before. That means that if at any time they feel they do not want prohibition in any province, that province need not come to parliament, but can declare that ipso facto prohibition is revoked and is no longer in effect. So that we the parliament of Canada delegate to the provinces the right to do something which they never had before. The point I am trying to urge on the House is that there should be a plebiscite in the provinces which are seeking to obtain prohibition before they can put it into effect. The other provinces, Manitoba, Saskatchewan, Alberta, Nova Scotia, and others, that have had prohibition, obtained it only after a plebiscite was taken. The province of British Columbia, which I understand is the principal one interested in this particular act, wishes to put this law into effect without going through the procedure which the other provinces were obliged to go through, and for that reason I object to the bill.

An hon. MEMBER: A poor reason.

Mr. JACOBS. It is the best I have.

Mr. BLACK (Yukon): Was a plebiscite held in British Columbia?

Mr. LAPOINTE: Yes, a plebiscite was held. I think that, as the discussion of this matter will involve questions and answers, it will be better to go into committee, because if I answer my hon. friend I will not have any right to discuss the matter again. If my hon. friend agrees that we go into committee on the bill I can assure him that that does not mean he is in favour of the principle.

Mr. JACOBS: I have no objection to the bill going into committee, but I think the principle of the bill should be discussed on the second reading.

Mr. LAPOINTE: I am quite willing.

Mr. CLARK: I desire to say one word on the principle referred to by the hon. member who has just spoken. If this bill passes it places in the hands of one man—

Mr. LAPOINTE: Oh, no.

Mr. CLARK: —in the province the right to bring this legislation into force. It likewise places in the hands of that one man the power to repeal, the power to bring it back into force, and the power to repeal it again. Just think of the power that man will have over the liquor interests, and how he will be able to go to them and say, "The time has come when I can exercise the authority given me by this act, come across or you will have to go out of business."

Mr. JACOBS: Surely there are no people in this country who would do that.

Mr. SPENCE: Do not give them a chance.

Mr. CLARK: I do not believe in placing that power in the hands of any man, or placing any man under suspicion that he is doing such a thing. Furthermore, I think it is constitutionally wrong to pass legislation in this House giving one man in any province the power to say whether or not it shall become law, and, having once become law, the power to say "It is not law to-day, but it will be to-morrow." This act should either apply from the time it is passed, or from a certain date, to the specific province in question, or not at all. The provinces should be named at the outset.

Mr. LAPOINTE: I think my hon. friend is under a misapprehension when he states that this will place all the power in the hands of one man. That was the objection to the bill two years ago, because this matter

came before parliament only once, and not for three or four sessions, as has been suggested.

Mr. CLARK: When I say one man, I mean the lieutenant governor in council. I was thinking of the attorney general.

Mr. LAPOINTE: I am glad my hon. friend says it is not one man, but the government of the province. Two years ago, when this bill passed the House of Commons, an exception was made in the bill permitting export warehouses to import liquor, but they had to obtain leave from the attorney general of the province. This provision was strongly objected to in this House, and my hon. friends who were opposed to the bill pointed out that it was giving a tremendous power to one man. The government then moved to strike out this exception in favour of the export houses altogether, and the objection in regard to giving the power to the attorney general was eliminated. The bill passed this House and was amended in the Senate in such a way that it was not acceptable to this Chamber. All the provinces at the present time, except British Columbia and Quebec, have held a plebiscite and have placed themselves under Part IV of the Canada Temperance Act; that is to say complete prohibition. Three of those provinces, Manitoba, Saskatchewan and Alberta, have modified that situation since by adopting the system of government sale of liquor. British Columbia and Quebec never held a plebiscite under Part IV of the Canada Temperance Act, but both held plebiscites for the purpose of having government control of liquor. A plebiscite was held in British Columbia and the people of the province voted that liquor should be sold in British Columbia by the government or by a board or commission appointed by the government. The purpose of this bill is that in those provinces where government control of liquor is in force, where they have not placed themselves under Part IV of the Canada Temperance Act, when the lieutenant governor of the province by order in council asks the Governor in Council of Canada to apply in that province prohibition of the importation of all liquors except by the government, or the commission intrusted by the government the power of selling liquor, with certain exceptions provided in the bill, the Governor in Council shall issue a proclamation giving effect to the will of the province manifested by its government that there should be no more importation of liquor.

[Mr. Lapointe.]

This legislation has been requested very urgently by the government of British Columbia. This House accepted it two years ago, and by moving the second reading of this bill and submitting it to the House, I am only conforming to the principle which seems to have been adopted in this country, that the will of the provinces in this matter should prevail. If British Columbia wants prohibition of importations except through the government, I think we should enact legislation to put that situation into effect?

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I should like to lend what support I can to the passage of this bill. The suggestion made by the hon. member for Burrard (Mr. Clark) that it is putting too much power into the hands of one man, has been met already by the Minister of Justice (Mr. Lapointe) stating that it is not one man, it is the government of the province. The government of the province is responsible to the people of British Columbia, and they will know how to deal with any attempt to hold up the liquor interests. The liquor interests, as we know them in British Columbia, are abundantly able to take care of themselves. There is no danger of their being held up in any sense of the term. As regards the remarks of an hon. member opposite in reference to a plebescite, we do not want any more plebescites in British Columbia. We have taken three plebescites on this question already and now we want some action. We have fully expressed in British Columbia what we want. The principal advantage of this bill, to my mind, is in doing away with the export houses. Export houses were done away with in Saskatchewan and Alberta in 1922, and I do not know of any complaints of any unjustices or misfortunes that have happened to those provinces as a consequence. The system does harm in British Columbia in many ways, but I will name three of them. First, there is a heavy loss of revenue to the Dominion government because they evade the excise. Of course the liquor is ostensibly exported to go to Mexico —that is the usual clearing paper—and then it is taken down to 'Frisco or Washington and sold there. In this case the duty will be paid. It has become a regular standard trade to bootleg the liquor back into British Columbia. It is taken a few miles from the harbour in a boat apparently on its way to Mexico. It is brought back after dark and put into the hands of a bootlegger—not the casual drink peddler you meet on the street corner, but established houses—and then it is sold to the public at a price far below that at which the government can sell it because they have not paid the excise. Very often they omit the formality

of taking it down the Sound. They take it in a truck from one place in the city to another. If some prohibition officer interferes, the truck breaks down and the stuff is taken back whence it came. If they are pushed to it, they will get a boat next day and take it out.

Mr. KENNEDY (Edmonton): Is the hon. member describing conditions as they exist to-day in British Columbia?

Mr. NEILL: Yes. It is also bringing the whole law into contempt in British Columbia. It has got to be now quite a respectable thing to be a bootlegger; you rank between a deacon of the church, and a bishop. I know of people who move in good society who are not ashamed to say that they have made, are making and will continue to make, money in that way. This leads to contempt of the law in other respects also. We are getting familiarized with breaking the law and this is spreading in other lines. This is a paper I received to-day, the Vancouver Daily Province, which says in big headlines:

Baker and Sowash will hang September 4.

What are they to hang for? For the murder of two men that were hi-jacked. "Hi-jacking" is another branch of this beautiful system. When this man takes out booze going to Mexico or the United States, he is doing so illegally and, therefore, he more or less ceases to be under the protection of the law. Some man comes along with a faster boat, and by means of coercion, possibly with a shotgun, he takes the liquor away from the other man. The man who has been robbed of his liquor cannot squeal because he is outside the pale of the law. Thus we have this other occupation known as hi-jacking. These two men who are going to hang on September 4 hi-jacked two men on a boat. They murdered them. Four men were concerned in this. They have got two and the other two they will get yet. Thus, six lives are to be snuffed out as a result of an every day occurrence of this trade. This hi-jacking is going on, not only on the high seas, but on the roads where they are transporting the liquor by means of motor trucks. To have your liquor hi-jacked is a common occurrence, and it is recognized as one of the expenses of the business.

Mr. JACOBS: Does the hon. member believe, if this legislation goes into force, all the hi-jacking is going to be done away with?

Mr. NEILL: Ninety per cent of it.

Mr. JACOBS: What about the United States? They have a prohibition law in force there and conditions are just about the same as he has depicted them in British Columbia.

Mr. NEILL: The hon. member is talking from the other side of the line, so to speak. I am not responsible for conditions in the United States. They are doing their utmost to enforce the law there, and they are very much handicapped by the illicit trade that is going on from British Columbia. That brings me to another phase of the argument why we should pass this bill. It is an important one in these days of international relationships. This traffic is highly productive of friction between us and the United States. We are further away here from the border and we do not see these things. But in British Columbia, we see it going on all the time, and it is very much calculated to cause ill-will between the United States and us. A boat called the Quadra was seized the other day on the California coast from British Columbia with a large cargo running into hundreds of thousands of dollars' worth. The case came into court. The question arose whether this boat was really within an hour's run—I think that is the limit prescribed—from their coast when it was seized or not. It was held by those defending the Quadra's crew and captain that the court unjustly ruled against allowing any evidence to show where this boat was at the time. Naturally it was commented on very strongly and harshly in our local papers. International friction was engendered at once. It is alleged that these British Columbia men, some twenty in number, who are in jail now awaiting trial, had not a fair chance, because the judge took the opposite view in the American court. Incidents like that are occurring all the time, and sooner or later they are going to lead to an international question that is quite unnecessary and highly to be avoided. It says somewhere: A man who would have friends must show himself friendly. A man who would have good neighbours must be neighbourly himself. We are not acting as a good neighbour towards the United States when we encourage this illicit traffic.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, I think the hon. member for Comox-Alberni (Mr. Neill) is expecting altogether too much in the way of reform as a result of this legislation. He speaks of the evils of the export houses. He seems to overlook the fact that those export houses exist only at the will of the government of British Columbia, and in fact, at the will of the Attorney General of British Columbia. They all have to come to him for licenses, and if he did not wish them to exist and operate, they would not be there at all. They cannot operate with

a license from the Attorney General of British Columbia.

Mr. NEILL: It is not a license. it is only his consent to a license issued by the Dominion, if my hon. friend will excuse my correcting his law.

Mr. BLACK (Yukon): That may be a distinction without a difference.

Mr. NEILL: No.

Mr. BLACK (Yukon): There is not an export house that is operating in British Columbia to-day that does not have to have the approval of the Attorney General of British Columbia, and in many cases licenses were issued to those export houses situated in the interior of British Columbia where there was no possibility of their doing a legitimate export business. If they had been down at the coast where goods could have been exported to foreign countries, the matter would have been different. It was a standing joke in British Columbia that export houses were applying for licenses so that they might make illegitimate exports to the United States which was the only place where they could run their goods. These licenses were issued wilfully with the approval of the Attorney General of British Columbia, and it is idle for hon. members to pretend that in asking for this legislation he wants to prevent illegalities or bootlegging. It is only a sham fight that is being put up by British Columbia against bootlegging; it is one of their chief sources of revenue. I see no reason why this question should be dealt with in British Columbia on any basis different from that adopted in other provinces. When the people of other provinces desire a change in their liquor law they express that desire at the polls; but this question has not been voted upon in British Columbia. That is the principal objection to the bill; it is wrong in principle. This is a pointed case of establishing government by order in council, and that I should think would be the last thing that this government would want to encourage. There is no necessity for the bill. It is an encroachment on private rights and until we have some expression from the people of British Columbia that they want such legislation, I submit it should not be enacted.

Mr. T. G. McBRIDE (Cariboo): It is said that there has been no plebiscite in British Columbia on this question, but that is not correct. There was a plebiscite and it carried by the largest majority ever secured on any question voted upon by the people of that province. The people gave the government control over the liquor question and unless this legislation is passed that government will not have that control. The provincial government wants this legislation enacted and the people want it.

Mr. CLARK: Does the hon. member suggest that the government of British Columbia has not now as complete control over the operations of the export liquor houses as it will have after this bill becomes law?

Mr. McBRIDE: Absolutely no. As I say, both the government and the prohibition people as well as those who have the interests of the province at heart have demanded this legislation in order to put a stop to the traffic in liquor which is going on between the province and the United States. This traffic is creating a hard feeling between the United States and the people of British Columbia, and indeed, of Canada as a whole, and it is felt that this government is responsible for it. If this legislation is carried it will end the traffic, and as the people of the province are asking for it I see no reason why it should not be adopted.

Motion agreed to and the House went into committee. Mr. Gordon in the chair.

On section 1—Importation of intoxicating liquor prohibited.

Mr. LAPOINTE: I desire to move an amendment by inserting after paragraph (c) in subsection (2) of section 163 the following, as paragraph (d):

> The importation into a province of any intoxicating liquor for sacramental or medicinal purposes or for manufacturing or commercial purposes other than for the manufacture or use thereof as a beverage.

This exception is contained in part four of the Canada Temperance Act. My hon. friend (Sir Henry Drayton) drew my attention to it the other day, and I think it makes it clear that the present law will not apply to liquor imported for the purposes here enumerated.

Amendment agreed to.

Mr. BLACK (Yukon): Will the government of British Columbia enforce this provision in respect of all importations except of liquors for the purposes just mentioned, or can the government differentiate between the private importer who imports for his own use and the import and export warehouse? Is this to be the interpretation of the provision, or will the prohibition apply to all?

Mr. LAPOINTE: They will all go out of business except those included in the exceptions contained in paragraphs (a), (b), (c) and the new paragraph (d).

Mr. CLARK: Will the minister admit that the Attorney General of British Columbia has the power now to refuse to approve of a license to any export warehouse? Even without this proposed act the attorney general or the government of the province has to-day the power to refuse to approve of licenses for export warehouses and by means of that refusal they can put all export houses out of business. They do not require this legislation in order to do that.

Mr. LAPOINTE: I believe my hon. friend is right, that they do not issue licenses except with the approval of the attorney general However, it is considered wise to have this provision.

Mr. CLARK: As for the picture painted by my hon. friend (Mr. McBride), the government can absolutely control the situation to-day; they are responsible for the conditions that exist. Why should we enable the government of British Columbia to bring certain legislation into effect, to cancel it, to bring it back into force again, and to switch it around any way they like, when they already have the situation absolutely in their control if they desire to take advantage of the power they now have.

Mr. NEILL: The hon. member is working both ends against the middle. It is true that the attorney general of the province must give his consent before the license is issued, but that consent has reference only to the surrounding conditions, because he has not the power of absolute refusal. Anyone who wants a license gets it from this government and all that the attorney general of the province has to do with it is to exercise an advisory supervision, so to speak, over the circumstances in which the license shall apply. He may say that this is the wrong place, or that the circumstances are undesirable, and so on but he cannot positively withhold the license, inasmuch as it is this government that issues it. As regards the objection that the attorney general can already do what it is proposed to enable him to do, the hon. member (Mr. Clark) stated a few minutes ago that he did not want to see so much power put into the hands of that officer. Apparently he has not much confidence in the attorney general of the province, and when the Minister of Justice pointed out that it was not the attorney general but the government of the province that had the say, the hon. member transferred his distrust to the government. He suspects that proper use will not be made of the power which is being enacted, because, he says, this has been the case in the past. Now, what is the objection to this legislation, which will absolutely prohibit by Dominion law the importation of liquor for export? It would appear to me that it is not going to do any harm if everything the hon. member has said is correct.

Mr. CLARK: That is just where my hon. friend is mistaken. This is order in council legislation, and not until the government passes an order in council does it come into effect. To-day the Attorney General of British Columbia can positively stop the issuance of a license to any government export house in the province. The Minister of Customs and Excise (Mr. Bureau) has so stated in this House. All he has to do now is to withhold his consent and the license will not issue. The only additional power given by this legislation is to prohibit private individuals importing liquor.

Mr. JACOBS: Mr. Chairman, I quite agree with what the hon. member for Burrard (Mr. Clark) has stated. When the Attorney General of British Columbia refuses to give his consent to the issuing of a license, it practically puts an end to the efforts of any person to get a license here in Ottawa, and so far as I know the Customs and Excise department have never issued a license where the attorney general of the province has refused to give his consent either through whim or otherwise. He may object to give the applicant a license because he is bald-headed, red-haired, or anything of that kind.

Mr. McMASTER: No, those are not drawbacks.

Mr. JACOBS: It just shows how senseless this is, because sometimes a bald-headed man has as much inside his head as many others have outside. But I am afraid that when I refer to bald heads in this House I am treading on dangerous ground. That disposes of the question raised by the hon. member for Comox-Alberni (Mr. Neill). Let us assume that this measure will be passed—and I am inclined to think that it will be—the government of British Columbia need never put it into force at all; it simply transfers from the federal authority to the provincial authority all federal rights. That, it seems to me, is giving that province more power than the other provinces, because the latter had to proceed by way of plebiscite. Hon. gentlemen have stated that three or four plebiscites were taken in British Columbia. But those plebiscites were only on the question of government control, and the Minister

of Justice admits it. The Quebec legislature has passed an act declaring that no one except the provincial government can traffic in liquor. If it is legal for Quebec to do this, why does not British Columbia take the same course? It looks rather strange, to say the least, that the provincial authorities there should come here and ask for ancillary legislation from this authority which the province of Quebec does not think is necessary. I believe in putting all the provinces on the same plane. Every province that wishes to carry on business in this particular way should take a plebiscite before it goes into the business. Why make a distinction in favour of British Columbia?

Mr. McTAGGART: Mr. Chairman, if this legislation is expected to discourage the efforts of the bootleggers in British Columbia, why should not the same law be made applicable to the prairie provinces as well?

Mr. LAPOINTE: The prairie provinces have even more stringent legislation.

Mr. BLACK (Yukon): Were the export warehouses in the prairie provinces put out of business by similar legislation?

Mr. LAPOINTE: A few years ago the prairie provinces voted by plebiscite to accept part four of the Canada Temperance Act, which constitutes complete prohibition, and this government gave effect to it by proclamation. Since then those provinces have accepted government control of liquor, but the courts have decided that part four is still in force as to importation, except through a commission appointed by the provincial authorities.

Mr. BLACK (Yukon): I suppose it is open to British Columbia to proceed in the same way and adopt part four of the Canada Temperance Act?

Mr. LAPOINTE: They could do so.

Mr. BLACK (Yukon): Until two years ago the export warehouses in British Columbia paid three thousand dollars to the provinces for their licenses, then that fee was increased to ten thousand dollars. So these export warehouse enterprises are all officially the creation of the government of British Columbia. This legislation seems a very roundabout way to put them out of business.

Mr. LAPOINTE: It does not follow that because they are taxed by the province they are the creatures of the province.

Mr. BLACK (Yukon): The only result of increasing the license fee to ten thousand dollars was the amalgamation of a large number of export warehouses into bigger and more powerful business enterprise. Has the Minister of Justice any assurance from the government of British Columbia that upon the adoption of this legislation it will be immediately put into force by the province?

Mr. JACOBS: No, he has not.

Mr. BLACK (Yukon): This legislation may remain in abeyance forever unless the cabinet of the province chooses to pass an order in council and send it down to the Dominion authorities for them to pass a similar order in council. This measure is only putting a club in the hands of the Attorney General of British Columbia to take away the power of import whenever he pleases. If the government of British Columbia wants legislation from this House to prevent the importation of liquor, why not say so in so many words and put through a bill here positively prohibiting importation, instead of adopting this go-as-you-please course? Has the Minister of Justice any assurance that this legislation will go into force in British Columbia?

Mr. LAPOINTE: The government of British Columbia have been so insistent in asking for this legislation that the advisability of asking them whether they were going to take advantage of it never entered my mind. The reason for adopting this procedure is that the legislation does not apply to British Columbia alone, Quebec can take advantage of it.

Mr. CLARK: Has Quebec asked for it?

Mr. LAPOINTE: I understand that two years ago Quebec was quite agreeable to such legislation being enacted.

Mr. CLARK: That is very different from asking for it. I wonder if they made a request for such legislation?

Mr. LAPOINTE: Quebec will make use of the legislation only if she wants it, and she will have to adopt the same process as British Columbia. That is why this procedure by order in council is adopted, and I believe it is the only one that could be adopted under the circumstances.

Mr. ROSS (Kingston): What is the position in regard to Ontario?

Mr. LAPOINTE: Ontario is under part four of the Canada Temperance Act. She had a plebiscite and a proclamation was issued accordingly.

Mr. ROSS (Kingston): Does it not seem peculiar that one province should adopt a procedure different from the ordinary?

Mr. LAPOINTE: There is nothing extraordinary about it. Those provinces which have been desirous of adopting Part IV of the act have done so. There are two provinces which have not adopted Part IV, but both of them have government control of liquor. Plebiscites have been held in both those provinces as a result of which the people asked for that government control. Is there anything extraordinary in the proposal that when any one of these provinces asks that importation of liquor be prohibited otherwise than by or through the government, subject to certain exceptions, the will of the province shall be ratified and agreed to by the Governor in Council?

Mr. ROSS (Kingston): I think there is. Ontario ran wild with these export houses until they took action to deal with the matter. I was in the legislature and I know there were dozens of them until the province put a stop to it. I think British Columbia should do the same.

Mr. JACOBS: Why is a special exception made in favour of British Columbia with respect to plebiscite? Why should they not have a plebscite as the other provinces have had?

Mr. LAPOINTE: There is no exception in the case of British Columbia. I understand they have had a plebiscite.

Mr. CLARK: Not on this question.

Mr. McBRIDE: The government of British Columbia represent the people of that province, and the leader of that government was down here and asking for this legislation. They seemed to think that unless this legislation passed they could not control liquor there as they would wish to. Why should we quibble over these things when the government which represents British Columbia ask for this legislation?

Mr. BLACK (Yukon): It is not a question of quibbling; it is a question of observing the rights of the people of British Columbia.

Mr. McBRIDE: The bootleggers.

Mr. BLACK (Yukon): Not the bootleggers; I do not thank the hon. member for that remark. I am just as anxious as he is to see the liquor business of British Columbia or of Canada generally put on a proper and decent basis if it can be done. But in my opinion the application for this legislation is not bona fide; is not for that purpose; is designed simply to put a club in the hands of the Attorney General of British Columbia to be used by him politically and for no other reason. When the hon. members for Comox-Alberni and Cariboo say that a plebiscite on this question has been held, they do not speak by the book; they are mistaken. There was a plebiscite on the question whether there should be government sale of liquor, prohibition or whether we should continue in the old way of sale in public bars, and the plebiscite went in favour of sale by the government. But the vote taken at that time and the legislation enacted thereunder in no way dealt with the question of private importation; that question has never been submitted to the electors of British Columbia. There is no reason why we should overlook these private rights in regard to British Columbia when they have had an opportunity of expressing their opinion in all the other provinces.

Subsection 2 agreed to.

Subsections 3, 4 and 5 agreed to.

On subsection 6—Revocations of prohibitions.

Mr. JACOBS: This is the clause that I should like to see struck out of the bill:

> Upon receipt by the Secretary of State of Canada of a duly certified copy of an order in council of the Lieutenant Governor in Council of any province, in which the prohibitions of subsection one of this section are in force, requesting that the said prohibitions be revoked, the Governor in Council may by proclamation published in the Canada Gazette declare that the prohibitions of subsection one of this section shall no longer be in force in that province and the same shall thereupon cease to be in force therein.

By this clause the province is seeking to obtain the right to revoke prohibition and bring the sale of liquor into force again. Surely my prohibition friends are not in favour of a section of that kind.

Mr. LAPOINTE: My hon. friend is absolutely wrong. The reference is to the prohibition of subsection 1, that is, the prohibition of importation.

Mr. JACOBS: That is to revive what they call the bootlegging trade, to revive a trade by private people in liquor in competition with the government. That is to say, the government of British Columbia will have the right by order in council to revive the sale of liquor by private interests. I do not think they should have that right. If British Columbia wants to be a temperance province and wants to observe the law in the way in which the hon. member (Mr. Neill) says it should be observed—and I should be the last one to argue that it should not be observed—then why give them the right to revive the sale?

Mr. LAPOINTE: The principle underlying this legislation, as I have said before, is to give effect to the will of the province. It is to give effect to the will of the province that the Governor in Council may issue a proclamation prohibiting the import of liquor except by or through the government, and it would be to give effect to the will of the province if a proclamation was issued under this clause. It is exactly the same principle.

Mr. JACOBS: Not at all; they are asking the right to revoke prohibition.

Mr. CLARK: This is the feature of the bill that I protested against before the Speaker left the chair. It is an entirely wrong principle that the Lieutenant Governor in Council in any province should have the right to declare for prohibition on one day and then on the following day say, "We have had enough of it; we will let these bootlegging houses run wild again."

Mr. JACOBS: I move that this clause be struck out.

The CHAIRMAN: A motion cannot be made to strike out the whole clause, but there can be a vote on the clause itself. Those in favour of the section carrying will please say "aye".

Some hon. MEMBERS: Aye.

The CHAIRMAN: Those opposed, "nay".

Some hon. MEMBERS: Nay.

Mr. McBRIDE: Do I understand that we are voting on the amendment?

The CHAIRMAN: No, there is no amendment. The question is whether the subsection shall carry.

Mr. JACOBS: Carried on division.

Mr. BLACK (Yukon): Before the subsection carries I would like to ask the minister if its effect is not to allow the government of British Columbia by order in council, subsequently verified by order in council of the Dominion government, to reinstate the conditions existing to-day in British Columbia?

Mr. LAPOINTE: To cancel the proclamation—surely. If British Columbia adopts any other system or asks this government to cancel the proclamation which puts into force the prohibitions contained in this act, the Governor in Council will again give effect to the will of British Columbia. That is the principle underlying the legislation. But my hon. friends know that this is for the purpose of prohibiting the importation of liquor into British Columbia. Why not accept it as it is?

[Mr. Jacobs.]

Mr. BLACK (Yukon): What would the minister require to indicate to him the desire of the people of British Columbia that the legislation now going through the House should be cancelled?

Mr. LAPOINTE: The order in council of the government of British Columbia.

Subsection 6 agreed to.

Section agreed to.

Bill reported, read the third time and passed.

SOLDIER SETTLEMENT ACT, 1919, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance) moved the third reading of Bill No. 208, to amend the Soldier Settlement Act, 1919.

Motion agreed to and bill read the third time and passed.

BOARD OF AUDIT

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 233, to constitute a Board of Audit.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

SUPPLY

RAILWAYS AND CANALS

The House in committee of Supply, Mr Gordon in the chair.

Chambly Canal, Improvements, revote, $5,000—$41,000.

Mr. GARLAND (Bow River): How much more money is to be voted on this canal for improvements? What is the anticipated total required?

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): You cannot tell in a work of this kind. It may be all right to-day, and two weeks from now a piece of the bank may go, or you may have to riprap the other side on account of a leak. There are constant improvements required. The work this year for improvements is the construction of a bridge, and for the marking out of the property for the canal. The bridge is to cost $36,000, and crosses the canal. With the heavy motor trucks on the highway the present structure is not considered strong enough to carry the traffic.

Item agreed to.

Soulanges Canal, improvements, $20,000.

Mr. WARD: Where is this canal located?

Mr. GRAHAM: It is in the province of Quebec, along the St. Lawrence river.

Mr. WARD: We are always questioned pretty closely whenever we mention the Hudson Bay railway and I think we should be given some information on this work. Last year we spent $50,000, and this year, $20,000 is required. What purpose does this canal serve?

Mr. GRAHAM: It serves all the water-borne traffic, including grain, that comes from the Great Lakes to Montreal and Quebec. It is one of our chief canals, connecting lake St. Frances and lake St. Louis in the St. Lawrence system. This amount is required for a second new lock.

Mr. GARDINER: Is there any revenue from this canal?

Mr. GRAHAM: There is no revenue from any of our canals.

Item agreed to.

Ontario-St. Lawrence canals, improvements, revote, $107,000.

Mr. GRAHAM: Of this, $67,000 is required to complete the contract; the balance, $40,000, is required for roadways at Iroquois and Cardinal. When the canals were deepened and widened, the department took over the roads built in this locality, and had to construct new roads. These roads are now in our hands, and are badly out of repair. It is estimated that to put them in proper shape, up to the standard, would cost $100,000. The federal authority has made a proposition to the provincial government of Ontario that we pay forty per cent, and they sixty per cent, to bring the roadway up to the standard of the provincial highway. This government is responsible for this portion of the roadway.

Mr. ROSS (Kingston): Is that work going to be started this year?

Mr. GRAHAM: We hope so, because the roads are in a disgraceful condition. We have been trying for a year or two to come to some arrangement with the provincial government, and hope to be able to do so. If not, we intend to proceed to repair these roads ourselves.

Mr. ROSS (Kingston): How do these roads lie in relation to the highway?

Mr. GRAHAM: They are part of the highway.

Item agreed to.

Trent canal, improvements, revote, $46,000—$393,000.

Mr. LUCAS: Could the minister give us the amount of tonnage handled on this canal?

Mr. GRAHAM: The total amount of money spent on the canal since it was first originated is about $19,000,000.

An hon. MEMBER: That was not the question.

Mr. COOTE: Is the minister not several millions short in that estimate?

Mr. GRAHAM: I spoke from memory and I am not sure. I think it was about that, according to the last figures.

Mr. COOTE: I have a statement here showing an expenditure of $23,000,000 odd. I do not know whether it is correct or not.

Mr. GRAHAM. Yes, that would be correct.

Mr. COOTE: How much is it proposed to spend this year?

Mr. GRAHAM: The whole amount is $393,000. The Trent canal is one of the old works, I think started before confederation, and the province of Ontario had certain rights owing to lumbering. They had to maintain dams and all that kind of thing. Owing to the procedure in constructing the Trent canal the federal authority took over most of these undertakings from the provincial government, and, no matter whether we like it or not, we are bound to maintain all these properties in the way of dams, locks and so on, to maintain the water levels for the protection of those who use power as well as for the floating of logs. We are not spending anything that we are not compelled to spend practically in maintaining the properties along this canal. For years a large amount of money was expended in extending the canal through to the Georgian bay. That construction has been at a standstill for some years, and any amount that we are asking for the Trent canal is in order to keep the property in the state of repair it is in at the present time, and we rannot do less than that. Suppose we were to allow one of the dams to go out, it would inflict a great loss of property and perhaps a loss of life for which this government would be responsible. The amount spent yearly in recent years is merely to keep this property in good condition, so that no damage can occur in case of any locks or dams going out. There is some money in the estimates—I do not know whether it is in this estimate or not—for a new lock to be put in. When a lock which has been there for several years wears out and a new one has to be put in, it is constructed of a size to conform with the general size of the canal, and to give a depth of eight feet four inches. The new lock gate is larger than the old gate, but it

is in conformity with the depth of the canal throughout.

Mr. LUCAS: Is there and record kept of the tonnage which passes through the canal yearly?

Mr. GRAHAM: During the year 1924 there were 7,085 motor boats, 3,079 freight boats. The tonnage of the vessels was 121,508, and the tons of freight carried 41,099.

Mr. MILLAR: What is the minimum depth throughout this canal?

Mr. GRAHAM: Six feet is the minimum. I ought to correct that by saying that at one time, in what we call the Severn branch, there were two marine railways for a short distance.

Mr. GARLAND (Bow River): Does the minister not think it would be more economical to hire the unemployed to carry that freight by hand, and to maintain this canal by hand?

Mr. GRAHAM: If we could break contracts as easily as that perhaps we might do the work by hiring the unemployed, but that would not maintain the dams and all that kind of thing, which is really the large amount of work.

Mr. GARLAND (Bow River): The government had no hesitation whatever in helping to tear up the Crowsnest pass contract.

Mr. GRAHAM: The parties who made the Crowsnest pass agreement were at liberty to tear it all up if they so desired. The parties who made this contract would not allow it to be torn up if we so desired.

Mr. GARLAND (Bow River): We should be very careful about entering into such contracts.

Mr. GRAHAM: We are very careful now.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. COOTE: Just what is intended to be done with this amount of $393,000 this year?

Mr. GRAHAM: About $183,000 of this amount appears here as in excess of last year's vote, but it is not. It will be found deducted from another vote. It is taken from capital account and put under income, and the two votes together will be found to balance. The items are as follows:

1. Young's point lock	$ 90,000
2. Dam at lock No. 23	100,000
3. Cement	32,000
4. Construction of lock gates	20,500
5. Canal shops at Peterboro	5,000
6. Deepening and widening existing channel below lock 26, Lakefield	9,000
7. Deepening and widening channel through Lovesick lake and Deer bay	6,500
8. Concrete dam at Norland, Gull river	3,000
9. Concrete dam at outlet of Swamp lake	4,000
10. New concrete dam and log slide at Scott's mills	15,000
11 Rebuilding and repairs to reservoir dams	10,000
12. Extensions of aprons, dam No. 5	2,000
12. Electrical equipment for Swift Rapids dam, Severn Division	3,500
14. Dredging, Severn Division	35,000
15. Staff salaries and working expenses	53,000
16. Dredging Otonobee river	2,500
17. Dredging Rice lake channels	7,000
18. Miscellaneous and unforeseen items	3,000
Total	$401,000

The first two items come under the category of those explained by me just before one o'clock. These works have to be renewed and kept in a good state of repair. When a dam or lock plays out, we repair it as well as we can.

Mr. COOTE: Would the widening and deepening of channels and the dredging of these rivers be covered by the covenant and agreement by which the minister said they were bound?

Mr. GRAHAM: You have to keep them to a certain depth. In those waters, of course, there is continual silting and that kind of thing. Part of the canal is eight feet four inches, and part of it is six feet. Some of the boats going through there strike bottom quite often, and this is for the work of keeping the channel in proper condition for boats to go through.

Mr. COOTE: It would not be very serious if they stayed aground for a time, for all the traffic there is there.

Mr. GRAHAM: It would be quite serious if several people were drowned by a boat hitting a rock or something of that kind.

Mr. COOTE: Would it be possible to make a gift of this canal to Ontario?

Mr. GRAHAM: It is an older thing than either my hon. friend or myself. It has been in existence for many years. In fact, the Dominion government and the provincial government had a lawsuit at one time in regard to the water-powers on the canal. I am not sure whether it went to trial or whether it was settled out of court, but it was found

that the authority rested with the federal government, and so the federal government is responsible.

Mr. THURSTON: What is the policy of the department in connection with building small wharves on the lakes on the Trent canal? For a number of years it was the policy of the department to construct small wharves for the accommodation of boats calling at the different little summer resorts. While possibly a great deal of criticism may be made of expenditures in connection with the Trent canal, yet I fear that to-day very few of us realize what value the Trent canal is to Canada. It is a great inducement to the tourist traffic. It gives them travelling facilities up and down the canal. While there are parts of it that never should have been built, yet I feel that the money spent in constructing the connecting links between the chains of lakes was money well spent and those channels should be kept in proper shape. In this way the tourist traffic is given the encouragement it deserves, and few of us realize the value to Canada to-day of the tourist traffic. It would be wisdom on the part of the government to see that small wharves are constructed at an expenditure of from $2,000 to $4,000 or $5,000, to accommodate small boats. Many tourists like to have their mail come to them by boat at the small resorts.

Mr. GRAHAM: It would be hard to announce a policy as to small wharves. It might mean many dozens of small wharves. At the entrances to locks, of course, there is always accommodation and I think the chief places have their locks. I would not like to say that the government was ready to construct a wharf at every place where a few people congregated for the summer. We have many applications, but as a general rule we do not go into the dockbuilding business very extensively along the Trent system. Hon. members who have never been through the Trent system, ought to go through it before they criticize it very much. More money is coming to Canada every year through the tourist traffic than, perhaps, people are aware of, and this is one of the most beautiful spots in the Dominion or, in fact, the continent of America. The tourist traffic through it is growing every year and the money they expend there cannot be counted in small figures. In addition to that the federal government collected last year $152,000 in income, not from the docks, but from waterpowers that have been leased along the Trent.

Mr. COOTE: What was the total amount spent by the Dominion government?

Mr. GRAHAM: I gave that this morning and it was checked up.

Mr. COOTE: Last year we voted $435,000. I presume most of that was spent.

Mr. THURSTON: The minister stated that he did not think it was wise for the department to begin the construction of wharves at every place where requests were made for them. I do not think there is any danger that they will get into a condition of that kind and build structures wherever they are requested. But there are places with anywhere from seventy-five to one hundred and fifty summer cottages where some accommodation is badly needed. The boats to-day run their bow up on the shore and in windy weather they are obliged to go by with the mail or have another boat come out and meet them. It is important that we should cater to the tourist traffic in the Highlands of Ontario. We have something to sell in that regard which is not equalled anywhere else in Canada, and where public highways lead up to resorts of this kind of any considerable size it would be well for the government to provide some small accommodation to enable the boats to land.

Mr. COOTE: Will it be necessary for these contracts to run on forever? We spent on this canal up to the end of the fiscal year 1925 the sum of $23,443,742, and these expenditures have been going on since 1882. In view of our present financial standing some effort should be made to stop the leak. I would ask the minister for some information regarding these contracts.

Mr. GRAHAM: My hon. friend knows that these are old agreements outstanding between the Dominion and the provincial government, and we might just as well attempt to remove the dams that protect the people living on any part of the Ottawa river as allow these dams to become, not dilapidated but in any degree unsafe. My hon. friend will understand the situation only as a result of a trip through that part of the country. He talks about "stopping the leak," but we are forgetting, or we have not yet learned, the benefit of the tourist traffic to the country. We have one of the most beautiful countries in the world. Those of us who have been in Switzerland know perfectly well that that country has nothing on Canada for scenic beauty; yet we shrink at any expenditure to develop the traffic. There are places in Canada where not much grain is produced and one of the sources of revenue is just this traffic. The people in this part of the country depend almost entirely on the business that

results from the visit of tourists, and for that reason this expenditure can more readily be justified perhaps than others. We cannot afford to abandon the Trent canal with all its dams and other protective works. If we failed to keep them in a constant state of repair there would be a danger of the surrounding country being flooded, and we are not allowed to neglect them under the agreement we have with the province. If we abandoned this work it would cost us millions of dollars, to say nothing of the wanton destruction to property.

Mr. COOTE: Is it contemplated carrying the canal through to Georgian bay?

Mr. GRAHAM: It is all through except for the completion of the portion of work on the Severn river which is not yet done. Small marine railways are being used to take the fifteen-ton boats from one point to another of navigation, and the completion of the remaining portion of work is all that is necessary to have the waterway capable of carrying hundreds of thousands of tourists from Georgian bay clear to lake Ontario.

Mr. COOTE: Does Switzerland build canals to develop the tourist traffic there?

Mr. GRAHAM: She does everything of that kind. She spends millions of dollars developing the scenery and as a consequence cities like Geneva are crowded the year round with tourists. In Germany, instead of building branch railways to places that can be reached otherwise, small waterways are built along which industries are started. Germany is dotted with scenes of this sort. I have been on canals there where they pumped the water from one part into another, and I can assure the committee that the Trent canal is a prince to most of them.

Mr. THURSTON: For the information of those who criticize the expenditures to develop our natural scenery, I may say that during the tourist season last summer for some two and a half months two little villages in my constituency, each with a branch bank and with a population, one of 800 and the other of 900, took in respectively $44,000 and $27,000 of American money. That gives a slight idea of the value of the tourist traffic to that part of the country.

Mr. BANCROFT: Is the tourist traffic fairly steady, or does it fluctuate? I notice looking back over the record of the work done that the expenditure has always increased around election time and I was wondering whether there was any particular influx of tourists on such occasions.

[Mr. Graham.]

Mr. GRAHAM: There might be.

Item agreed to.

Welland canal—improvements—revote, $14,000, $151,000.

Mr. MACLEAN (York): Can the Minister of Railways give the House any information regarding the international negotiations that are in progress in connection with the St. Lawrence waterways?

Mr. GRAHAM: There is a vote in the miscellaneous items for $150,000 in connection with the St. Lawrence matter but I promised the leader of the opposition (Mr. Meighen) that I would not bring on the discussion of the subject in his absence.

Mr. MACLEAN (York): You will make the explanation later?

Mr. GRAHAM: Yes.

Mr. CHURCH: I would impress upon the minister the importance of having this work completed as soon as possible. The date fixed for the completion of it is 1929 and the fact that American boats are now carrying grain at half a cent a bushel cheaper than it can be carried on this side will indicate the saving that might be effected if this work were completed. Last summer a party of Americans came over here and they were surprised at the magnitude of the work. They recognized its importance to the grain trade of the country, for it certainly will solve many of our transportation troubles. The work was decided upon after very mature consideration by the late government and it was intended to be the first undertaking in connection with the St. Lawrence waterway. At the present time no large boats on the upper lakes can go down lake Ontario owing to the canals being so small. Shippers have to use the all-rail route because of lack of progress made in this canal. The fixed charges in connection with this work are considerable. I hope the Progressives will go and see this work, for then they will realize its magnitude and the important factor it will be in our transportation system. Already as a result of our not having this canal thirty-eight elevators are established in Buffalo to-day.

Mr. BANCROFT: Mr. Chairman, I rise to a point of order. The hon. member for North Toronto (Mr. Church) is discussing the Welland ship canal, which is not the vote before the House.

Mr. CHURCH: That is one of the reasons why—there are four or five others—why those elevators have been established there. Let me tell the House that after the next election there is going to be a Ginger party here from Ontario.

The CHAIRMAN: The hon. member is debating the wrong item. This vote is for the old canal, not the ship canal.

Mr. COOTE: What was the tonnage handled through this canal last year?

Mr. GRAHAM: Five million tons.

Mr. COOTE: What tonnage of grain was handled?

Mr. GRAHAM: About three million tons of wheat alone.

Mr. COOTE: Has the department statistics showing how much of this is Canadian and how much United States grain?

Mr. GRAHAM: From a Canadian port to a Canadian port about two million tons of wheat alone.

Item agreed to.

Board of Railway Commissioners for Canada: maintenance and operation of, $239,359.

Mr. COOTE: Does the government propose to increase the membership of the commission?

Mr. GRAHAM: There is nothing in the estimates for the purpose, and it would require legislation to either increase or diminish the board. The board was constituted along certain lines, and I had the honour some years ago of introducing legislation to enlarge it. although I think the board is, if anything, too unwieldy already, that does not at all shut out consideration of the suggestion that there might be some reorganization of the board in the future.

Mr. COOTE: I am not particularly anxious to have the board enlarged, but I should like to see it more representative of the different sections of the Dominion. Western Canada has only one representative on the board, and I think we contribute the major portion of the net earnings of the Canadian Pacific. With the passage of the railway freight rates legislation within the past few days, the protection which the Crowsnest pass agreement gave us on every commodity except grain and flour has been removed, and we are now left altogether —if I may be pardoned for using the expression —at the mercy of the Board of Railway Commissioners. Does the minister think we are fairly represented on that board? If not, are we likely to receive justice from the board? This is a very important matter to western Canada, and there is a strong feeling in the west that we should have greater representation on the board—one member out of six is altogether inadequate.

Mr. GRAHAM: When the board was first established the object was to get the best men to undertake the work, no matter where they came from, because, considering the diversity of interests throughout the Dominion, the board has a very difficult task to perform. As in any other business the man who will do the best is the man who ought to be on the board. If I were hiring a man to do my business I would not care where he came from so long as he did his work satisfactorily. The suggestion of having a man from the west is worthy of consideration, although I would not admit that any other man would not give the west justice. But the western man might understand the psychology of the western people at least a little better than a man from some other part of the country.

Mr. MACLEAN (York): I agree with the minister that this board is too large and will have to be reorganized, and the quickest way to reorganize it is to consolidate the two railways. If that is done you will not have all this competition for traffic between two companies, to say nothing of outside companies, and there will not be one quarter of the work that is now imposed on the railway commission. You do not improve matters by increasing the number of members of the commission; in fact you only make things worse. But when you simplify the railway system you can reduce the personnel and simplify the operations of the board of railway commissioners, as well as effect an economy of $100,000,000 a year—the best authorities say $150,000,000. This is the only way parliament can get control of railway rates; we will save money, have a better system and get a better service.

Mr. COOTE: The best member of the board now is a western man. I have heard it remarked that he spends most of his time writing dissenting judgments.

Mr. GRAHAM: I see he gave one the other day in which he was in accord with the rest of the board.

Mr. COOTE: Perhaps the exception proves the rule. I think there is a great deal of misapprehension with regard to the work of the Board of Railway Commissioners. We often hear it stated that the matter of making railway rates should be left entirely to the board. I doubt very much whether the board has ever made a rate; they have only put their stamp of approval upon rates that are made by the railway companies. Whenever there is any rate making, it is by the railway companies themselves, and if no one objects after the rates are posted up in the office of the rail-

way commission, they are approved of by the board. I would like to see this board actively engaged in the making of railway rates, not simply putting their rubber stamp on the rates fixed by the railway corporations.

Item agreed to.

Surveys and inspections: canals, including salaries and expenses of experts employed temporarily, revote, $5,000, $20,000.

Mr. COOTE: Why is it necessary to make surveys now that we have the Canadian National Railways?

Mr. GRAHAM: There is necessity for a great deal of special investigation. This vote has been carried for many years and used in various ways, but never outside the purpose for which it was intended. For instance, last year I sent a special man out to investigate certain conditions about railways for my own information and for the information of the department. Then we have the government railways coming under the Canadian National for operation and other purposes, but it is always questionable whether, for the purposes of the construction, say, of a viaduct, the Board of Railway Commisioners has jurisdiction over the government owned railways in the sense of being in a position to make them do certain things. This is a very necessary vote, and not a dollar of it will be expended otherwise than in the interests of the public.

Mr. COOTE: Does the minister ever send these officers out to inspect branch lines that were started about fifteen years ago but have been left partly completed, and to report to the government whether the work should not be completed?

Mr. GRAHAM: We have reports on all these lines. We have been doing pretty well since this government came into power in the way of putting rails on them. We have not always succeeded, but we have done a good deal.

Mr. ROSS (Kingston): How many departments of surveys are there in the government? Is there one for the railways, one for the canals, one for public works, one for the railway commission? Can there not be a beginning at a co-ordination of these services under one head?

Mr. GRAHAM: That is worth considering. But the Board of Railway Commissioners is an entity by itself; its work is different from ours. They do not borrow any of our officers and we do not borrow theirs. If we had to depend on the board for a man to do certain work—and it is not all survey with rod and line; it includes inspectional or investigational work—then the board might not be able to attend to some applications that an hon. member might place before them. None of these men are idle.

Mr. ROSS (Kingston): How many engineers are employed in railways and how many in canals?

Mr. GRAHAM: It would be hard to do that on the canals. There are two engineers on the Trent canal, and they have some assistants. Then there is our chief engineer, and we have also engineers attached to our department, but in no wise responsible to the department, except indirectly, in connection with the investigation of the St. Lawrence waterways. That comes under a separate vote. The Board of Railway Commissioners also has its engineers for the particular purposes of the board. There is a good deal to be said for consolidation, but if the hon. gentleman was in one of these departments and was responsible for it he would want his own staff subject to himself to do the work that was required, and to do it when he wanted it done. As long as there are not any men sitting around idle, I do not see that there is much to complain of.

Mr. ROSS (Kingston): How many engineers are covered by these two votes?

Mr. GRAHAM: In surveys and inspections? We have three, I think, altogether.

Mr. ROSS (Kingston): And in the railways?

Mr. GUTHRIE: There is a great deal of force in what the hon. member for Kingston has said. For years the government of this country has been over-staffed in regard to the survey and engineering forces. There has been talk from time to time of consolidations, but the consolidations have never yet taken place. In Washington they have consolidated this work, and have effected an enormous saving in consequence. In Washington the Department of the Secretary of State for War has charge of the whole survey staff of the government, and the whole engineering staff for construction purposes. That department carries on all government construction and all government survey work in the United States. Here we have engineering staffs and survey staffs in many departments. In the Interior department we have a very large surveys branch; in the Public Works department we have a very large engineering staff. I omit the Department of Railways and Canals because I think it is essential that they should have a staff of their own. But there are

other departments which have engineering and survey branches, and I do not see why they should not be consolidated in a single department. I am satisfied, and everyone who has looked into the matter is satisfied, that there is overlapping in regard to this work, and I think the government would be entitled to the thanks of the country if they were to start to consolidate the staffs of the engineering and survey branches in the various departments.

Item agreed to.

Canals—staff and repairs, $2,222,000.

Mr. COOTE: Would the minister give us some details showing how he intends to spend this amount?

Mr. GRAHAM: There are regular positions on the canals throughout Canada, as follows: Province of Quebec, 595; Ontario, St. Lawrence, 212; St. Peters, 10; Rideau, 143; Trent, 224; Welland, 326; Welland, elevator, 133; Sault Ste. Marie, 58; or a total of 1,701. Then, engaged in construction on the Welland ship canal are 358, and in the St. Lawrence waterways investigation, 37, but they do not come under this vote. The staff that does come under this vote comprises 1,701 employees on all the canals.

Mr. LEWIS: These works are chargeable to collection of revenue. Does this service nearly pay for itself?

Mr. GRAHAM: Oh no. We have a staff, for instance, on the Trent canal, and we are collecting revenue for water, and so on; we also keep a statistical staff for the canals, but under an agreement made between the United States and Canada neither country charges any tolls on the canals, and consequently there is no revenue except what might come from water-powers along some of the canals.

Mr. COOTE: The largest part of this vote will be for the staff who operate the canals, the lockmen, and so forth?

Mr. GRAHAM: Yes, for operation and maintenance. In addition to what I have already mentioned, there are land leases. Many of the properties held for the canals are leased, some of them in connection with water-powers, and others, at Montreal, for instance, for warehouses and all that kind of thing.

Mr. COOTE: How much of this vote would be for the staff on the Trent canal?

Mr. GRAHAM: $118,000. All these staffs are under the Civil Service Commission.

Mr. LEWIS: If there is no revenue, why is this vote entitled "chargeable to collection of revenue"?

Mr. GRAHAM: That is one of the things that I do not think my hon. friend would understand if he was in the department for forty years. We have three items, capital, revenue and income, and for book-keeping purposes the votes are kept under these three heads. It is true there is not a sufficient revenue to pay for this service, although it is chargeable to revenue account.

Mr. COOTE: There are really four headings, are there not—capital, revenue, staff, and repairs.

Mr. GRAHAM: Staff and repairs should read without any comma. That would come under revenue.

Mr. COOTE: I have a return here in regard to the Trent canal showing the expenditure under four heads, capital, income, staff, and repairs, and a separate column is given for each. I did not notice I had these figures when I asked the minister if there were not four accounts kept. This return shows that last year $113,000 was spent for staff, $88,000 for repairs, $129,000 under the heading of income, and $156,000 under the heading of capital, in connection with the Trent canal.

Mr. GRAHAM: As I pointed out a few minutes ago, I deducted $183,000 from capital and put that under income, believing it should not be charged to capital, but rather to current expenses. There is no vote for staff and repairs except under the head of revenue.

Mr. COOTE: Am I to understand that revenue and income is the same thing?

Mr. GRAHAM: Not for bookkeeping purposes.

Mr. COOTE: I cannot understand, then, why this return should show the expenditure under these four heads, capital, income, staff, and repairs.

Mr. GRAHAM: It was divided that way, I think, for the convenience of my hon. friend, to give him the information he wanted in the way he wanted it.

Mr. MILLAR: The minister stated that under an arrangement with the United States no tolls are charged on the canals. Would it not seem that Canada at the present time is keeping up more canals than the United States and that therefore it is a kind of one-sided bargain? Will that arrangement be

continued when the new Welland canal is completed? We will have probably $100,000,000 in the new Welland canal. Is that arrangement with the United States likely to be continued?

Mr. GRAHAM: Unless some new arrangement is made, it will be continued. The tolls were removed from canals for the purpose of encouraging traffic through our own Canadian ports, and through our canals. It cannot be denied, I think, that every dollar you impose in tolls must come out of the produce or the cargo. There is no other way to pay it. The vessel owner will charge that much more in his expenses against the traffic that is being moved; eventually either the consignor or the consignee will pay it, and in those days it was thought wise, in the interests of the development of our country, that we should remove the tolls from the canal. My hon. friend is right. We have a greater investment in those canals, and Canadian vessels I think, outside of the canal at the Sault, do not use American canals to any great extent. But that is the arrangement between the two countries, and every year there has been no toll charged.

Mr. FANSHER: Does that apply to the Trent canal?

Mr. GRAHAM: I think so.

Mr. ROSS (Kingston): When were the tolls put on first? It appears to me when we had free trade between the two countries there was no toll and we had free use of the canal. Even after the Americans abolished free trade and put a restriction on Canadian goods we had free use of her canals. Was there any particular time when the tolls were put on on the canals?

Mr. GRAHAM: I can remember when there were tolls on the canals. I can go that far, but I cannot give my hon. friend any information as to the date. My deputy tells me they were taken off in 1898.

Mr. COOTE: When the Canadian ambassador to Washington is appointed will the ambassador take up with the United States the matter of sharing the expense of these canals and bearing their fair share for expense of operation? I think Canada is paying far more than her share for the construction and upkeep of the canals between the international lakes, and I think it is a matter that might very well be taken up with the government at Washington. As to tolls: if tolls are charged on the canal, the amount would would have to be added to the cost of the goods, to be paid by the people whose goods were being transported. Is that not the place where the money should be collected, rather than from the taxpayers of the country? If this principle were to be adopted with regard to all our transportation, it seems to me it should naturally follow that we should build rights of way, keep them up, allow the railways to operate and charge sufficient to cover the cost of operation and keep the rolling stock in repair. Why should we furnish a free waterway for all these ships, to compete with our own railways, and make it so difficult for our railways to pay the cost of operation? We are furnishing the Trent canal free of tolls to the people who live in that neighbourhood, and certainly, if they are carrying any freight at all, they must come in competition with our railways. I think it is time this matter was carefully considered by the people of Canada. In western Canada we have no canals and no water transportation and the government is spending no money in providing anything of that sort. But they are providing facilities in some sections, and I think it is unfair to other sections of Canada where there is no water transportation. If the canals were made to pay interest on the cost of investment and the necessary upkeep of the staff on the canals, we might consider that we were getting a fair deal, but under the present arrangement I do not think we are. Has the minister any views to give the committee on that point?

Mr. GRAHAM: I have not looked into the arrangement itself or the negotiations which led up to it. There may be something in what my hon. friend says and there may be some other reason underlying it which I am not aware of at the present time. I think I may go this far, that when the ambassador starts for Washington I will call his attention to what my hon. friend says.

Mr. COOTE: Would the hon. minister not go further with reference to this Trent canal, for instance, and the Rideau canal? Are there any tolls on the boats that convey freight up and down the canals? If not, is it not creating unfair competition against our national railways operating in those regions? For the life of me I cannot see why tolls should not be charged on the canal. We would not think of building a railway right of way and allowing the railway to come along and run trains over it and pay nothing. We even go so far as to keep up the canals and pay the men who operate the locks.

Mr. GRAHAM: Is water competition not a pretty good regulative rate?

Mr. COOTE: I suppose it is, but it is pretty hard on the railways, and it is hard on the taxpayers. I find from the return before me that we have spent in Canada a grand total of $211,000,000 on canals. The interest alone on that amount is a sum that would startle the taxpayers if they really knew what they were paying, and in addition to that we have an item of $2,222,000 here for the staff. Then there will be a lot of repairs, I presume, in addition to that.

Mr. SNOWBALL: The question brought up by my hon. friend from Macleod (Mr. Coote) is disturbing the people of the Maritime provinces. When confederation took place the expense on canals was about $20,000,000. The expenditure on the railway in New Brunswick taken over at confederation was about the same amount. At that time the Intercolonial was promised, and built I think at a cost of about $147,000,000; the canals cost $211,000,000. We in the Maritime provinces feel that we get no compensation for our share in the upkeep and maintenance, and the expenditure in dredging the canal. We are made to pay the regular rate, or a proportion of rates, in those provinces, and we are taxed higher than they are in some parts of the Dominion, especially in the Northwest.

Mr. BROWN: The hon. member is wrong.

Mr. SNOWBALL: No, I think hon. members will find we are right. The increase in rates on lumber alone was only 32 per cent from British Columbia, and from the Maritime provinces it was 68 per cent.

Mr. BROWN: On what figures are those percentages based? Percentages lead one astray unless one knows on what they are based.

Mr. SNOWBALL: On the freight rates that existed prior to 1916.

Mr. BROWN: What were they?

Mr. SNOWBALL: The Maritime provinces are very much interested in the matter of canals, and they feel that on account of the canal systems and the benefits they are giving to the prairie provinces in the way of getting their goods transported, as well as to Ontario, the Maritime provinces should have some consideration given to them as regards freight rates on the Intercolonial railways system of the Canadian National.

Item agreed to.

Port Nelson terminals—Hudson Bay railway—revote, $10,000—$35,000.

Mr. WARD: I notice that $25,000 was spent at Nelson harbour last year. What was it spent for?

Mr. GRAHAM: We have at Port Nelson, on account of previous construction, machinery, vessels, boats and a good deal of other property. We have to keep quite a number of men there in order to preserve the property from going to destruction.

Mr. LEWIS: Is it not about time the government started to reconstruct rather than to keep it in repair?

Mr. HOEY: Has the minister considered the advisability of moving some of these boats, particularly the large dredge, from Port Nelson? What is the object in keeping them there to deteriorate if there is no intention of going ahead with the port?

Mr. GRAHAM: It is not an easy matter to bring out the dredge. It was a dangerous proposition taking it in, but I am afraid Providence has moved it so that it will be more difficult than it was before to bring it out. Owing to the storm last year, a good deal of damage took place at Port Nelson. The Hudson bay discussion will come up under the Canadian National Railways, but I might read just a little memorandum I have from the department:

The storm of November 1, 1924, was one of unusual severity, the wind reaching a velocity of 52 miles per hour, was accompanied by a heavy snowfall and fog; the tide rose to 24½ feet which is four feet above any recorded level. The situation as a result of the storm is that:—

1. The following items of marine plant which originally cost about $562,000 have been carried so far from their moorings or otherwise misplaced in positions where the cost of recovery or rehabilitation would, it is estimated, be roughly equivalent to at least the original cost: Section dredge; three-yard dredge; 1½-yard dredge; Lighter, No. 1; derrick scows, No. 1 and No. 2; U-1 scow; 2 small wooden dump scows; 4 life boats; 2 steam hoist houses; pontoons; 8 side dump cars; 6 coal buckets; 1 hand wrench; 3 gasoline boats.

2. Labour and materials costing approximately $50,000 have been destroyed. The principal items are: (a) The washing out of the bridge pier filling; (b) the loss of considerable native and imported timber and of certain lumber supplies; (c) Comparatively unimportant minor damage to the island, the bridge and along the shore line, the value of which is included in the $50,000 item above.

3 Salvage operations to the extent that these are practicable are being attended to by the Port Nelson staff consisting of a superintendent, foreman, stationary engineer, 4 rough carpenters, 1 clerk and 1 cook.

Item agreed to.

To provide for the payment of salaries and expenses in connection with the St. Lawrence ship canal surveys and investigations, including the Canadian National Advisory Committee and its employees and including E. B. Jost, $2,500, as assistant to chairman of engineering board, and G. W. Yates, $1,200, as secretary (revote $25,000), $150,000.

Mr. CHURCH: Why is this St. Lawrence ship canal vote holding up the Morrisburg application of the Ontario government and the Ontario Hydro Electric Commission for

power which is so badly needed? I understand the government has taken the position that nothing will be done until this money is voted and a report made. It may be a year or two, or three or four or five years, before a report is made. In the meantime, the reports and the applications are all in, and I see no reason why the application of the Ontario Hydro Electric Commission and the Ontario government should not be granted. A joint report was made by the commission on this work from the financial side, the engineering side, the navigation side and the transportation side. It is a very good report. I cannot see what object will be gained by appointing a new commission. In addition to this, the appointment of this new commission is holding up a very important power development for eastern Ontario. About a month ago the minister promised that when this vote was up, he would make a statement as to the Morrisburg proposition.

Mr. GRAHAM: This item is larger than it was last year, but that is accounted for by the fact that heretofore we have been carrying an item of $50,000 in the estimates of the Railways and Canals department for this work, and now it is all put under the one head and made $150,000 instead of $100,000. My hon. friend has asked a question and it will take me a few minutes, perhaps, to explain the matter. As a matter of fact, the duty of this government is primarily to look after the requirements of navigation. The question of an enlarged St. Lawrence waterway is viewed from three angles: First, those who want it developed for power purposes and have little interest in navigation; second, those who think altogether of navigation; and third, others who take into consideration both the development of power and the improvement of navigation. The federal authority must make navigation its primary care. Some years ago a joint board of engineers was appointed by the United States and Canada. That commission was composed of Mr. Wooten, representing the United States and the late Mr. Bowden, representing the Dominion of Canada, he being chief engineer of the Department of Railways and Canals. This committee made a comprehensive study of the question and brought in a report. Without going into details, I may say that that report was favourable to this project.

Mr. ROSS (Kingston): In what year was that report made?

Mr. GRAHAM: I think it was 1921, but I am not sure. The hon. member for North Toronto (Mr. Church) asks: Why is this not proceeded with, after that report has been made? Let me point this out. Owing to the many questions that arise between Canada and the United States involving interests in water in streams, international and otherwise, the two governments arranged by treaty, some years ago, to name an international joint commission, to which is referred all questions concerning boundary waters. This question of the development of the St. Lawrence waterway was referred to the commission and the report of Messrs. Wooten and Bowden was submitted, if I remember rightly to it. While the engineers were studying the problem the International Joint Commission toured Canada and the United States, taking evidence as to the advisability of entering into an arrangement in regard to the St. Lawrence waterway, both countries being deeply interested. I appeared among others before the commission and gave what evidence I thought ought to be given. The International Joint Commission itself, after consideration of the report of the board of engineres decided that the scheme was practicable. It made a report recommending the project, but in that report the following significant paragraph appears:

> The commission is convinced that in a matter of such unusual magnitude, involving engineering factors that are more or less debatable, and affecting the interests of many millions of people, too much care cannot be taken to ensure the adoption of plans that will be beyond reasonable criticism both as to the general scheme of development and the working out of its details. It is therefore desirable that before any steps are taken to carry out the commission's recommendation the plans of the engineering board, together with such comments or criticisms or alternative plans as have been filed with the commission by other engineers, should be referred back to the board and enlarged by other leading members of the engineering profession, to the end that the whole question be given that further and complete study that its magnitude and importance demand.

In view of that very positive recommendation the governments of both countries decided to proceed with a further investigation. There was a good deal of correspondence between the United States and Canada as to the questions which should be referred to the enlarged joint engineering board. That board included, in its Canadian section, D. W. McLachlan, of the Department of Railways and Canals, Oliver O. Lefebvre, chief engineer of the Quebec Streams Commission, Montreal, and Brigadier General Charles H. Mitchell, of Toronto; and in its United States section, Brigadier General Jadwin, Colonel Wm. Kelly, and Lt.-Colonel George E. Pillsbury. Mr. McLachlan was appointed chairman of the Canadian section and Brigadier General Jad-

win of the United States section. The other two members of each section, Messrs. Lefebvre and Mitchell and Kelly and Pillsbury were appointed technical officers for the consideration of the term of reference which should constitute the instructions to the enlarged joint engineering board. Several meetings of the technical officers were necessary, and much correspondence between the respective governments before the terms of reference could be recommended by the national advisory committee for adoption by the Canadian government.

One difficult question arose between the two countries and it required a good deal of correspondence to get it straightened out. Everyone understands or has some knowledge at least of the difficulties in connection with the diversion of water at Chicago, and while the actual diversion did not perhaps properly come within the scope of the investigation of the engineers, the Canadian government felt that the joint engineering board should consider the effect which the lowering of the water through this diversion would have on the St. Lawrence project. The American government was of the opinion that the question of the diversion of water at Niagara Falls should also be considered by the engineers. The Canadian government took the view that the Niagara diversions did not affect the St. Lawrence scheme; we pointed out that the diversion of water there had no influence on the depth of the St. Lawrence or the works involved, for the simple reason that practically all the water used at Niagara returns to the Niagara river or into the waterways that flow into the St. Lawrence, while at Chicago the water which is diverted goes into the Mississippi watershed and is lost both to the Niagara and the St. Lawrence rivers. It will be seen, from the terms of reference which, with the consent of the committee I beg to place on Hansard, that the joint board of engineers will give consideration to the effect of the Chicago diversion on the St. Lawrence project and that the question of the division of water at Niagara is not involved:

Instructions to Joint Board of Engineers on the St. Lawrence Waterway

The governments of Canada and the United States have accepted the recommendation, made by the International Joint Commission in its report dated 19th December, 1921, that the question of the development of the St. Lawrence river for navigation and for the supply of power be referred to an enlarged joint board of engineers.

It is desired that the new board should review the report dated 24th June, 1921, made by the late Mr. W. A. Bowden and Colonel W. P. Wooten, and that it should extend its enquiries to certain additional matters with a view to supplying the technical information likely to be relevant to the proposals made in the report of the International Joint Commission above referred to. The new board is therefore charged at this time with reporting upon the following:

1. Is the scheme for the improvement of the St. Lawrence waterway, presented by the board in its report of June 24th, 1921, practicable and does it provide to the best advantage, at this time and ultimately, for the development of the capacities and possibilities of the waterway?

2. What alternative schemes, if any, would be better adapted to secure the ends desired, due consideration being given—

(a) to any special international or local interests having an importance justifying exceptional consideration, and

(b) to the extent and character of the damage through flooding and the probable effect of the works upon the formation of ice and the consequent effect on the flow of the river?

3. Should the estimates of cost be revised and, if so, what are the revised estimates of cost having regard to alternative schemes?

4. In order to assist either government to allocate the amounts chargeable to navigation and power, what would be the respective estimated costs for improving the river for navigation alone and for power alone?

5. To what extent may water levels in the St. Lawrence river at and below Montreal, as well as the river and lake levels generally, be affected by the execution of the project?

6. (a) To what extent and in what manner are the natural water levels in the St. Lawrence river and on the lakes affected by diversions authorized by license by either Canada or the United States, from or in the St. Lawrence river watershed?

(b) By what measures could the water levels or navigable depths affected by the diversions referred to in section 6 (a) be restored, and what would be the cost thereof?

(c) How much power could be developed on the St. Lawrence river with the water diverted from the watershed referred to in section 6 (a) under:

(1) The plans recommended.

(2) Alternative plans providing for a full practical development of the river.

(d) Without considering compensation by the present relative diversions of water from the Niagara river and from lake Erie, and without prejudice to a future consideration thereof, what works, if any, could be constructed to recover on the St. Lawrence river the amount of power determined under section 6 (c), and what would be the cost of such works?

7. Having regard to economy of construction and maintenance, expedition of construction and efficiency of operation—

(a) Which of the works should be constructed under the technical supervision of an international board and what other works, if any, might advantageously be constructed under such supervision?

(b) Which of the works should be maintained and operated by an international board and what other works, if any, might advantageously be so maintained and operated?

8. What, if any, readjustments in the location of the international boundary are necessary or desirable to place power structures belonging to either country within its borders, as recommended by the International Joint Commission?

9. If the board is of the opinion that it would be advantageous to provide in the first instance for channel depths other than 25 feet, but less than 30 feet, for what draft of vessel should provision be made?

10. Having regard to the recommendation of the International Joint Commission that the new Welland ship canal should be embodied in the scheme and should be treated as a part thereof, and to the fact that if a greater depth than 21 feet be adopted for the initial project depth of the St. Lawrence, such greater depth would not be available to the upper lake ports without further work in the navigation channels in the lakes, what would be the cost of improving the main navigation channels between and through the lakes, so as to provide, without impairing the present lake levels for (a) a depth of 25 feet and (b) for such other depth not exceeding 30 feet, as may be determined by the board to be that for which it would be most advantageous to provide on the St. Lawrence river?

11. What is the time required to complete the proposed works, the order in which they should be proceeded with, and the progress which should be made yearly towards the completion of each in order to secure the greatest advantage from each of the works and from the development of the waterway as a whole?

It is desired that the report be accompanied by such drawings as are necessary for showing the location and general character of the works proposed.

It is also desired that in the preparation of the report, due regard should be had to any diversions from or in the St. Lawrence river watershed, which, at the date of the report, are authorized by license by either Canada or the United States.

It is desired that the board report, from time to time on the matters referred to it as the progress of its enquiries permits, and that these enquiries be so prosecuted that, if practicable, the board should have reported on all such matters by the end of April, 1926.

The Canadian government and the United States government have worked out plans for carrying on an investigation outside of the engineering investigation that is being conducted by the joint engineering board and its technical officers. To consider generally whether or not the project would, if completed, be beneficial to Canada, the government has appointed a national advisory committee for the Dominion, which is composed of your humble servant as chairman, Thomas Ahearn, Ottawa; Hon. W. E. Foster, St. John, N.B.; Beaudry Loman, Montreal; Edward D. Martin, Winnipeg; Dr. Wilfrid L. McDougald, Montreal; Hon. Sir Clifford Sifton, Toronto; Major General John W. Stewart, Vancouver; Hon. Adelard Turgeon, Quebec. The United States advisory committee is composed of Hon. Herbert Hoover, Secretary of Commerce, chairman. William C. Breed, attorney-at-law, New York city, former president New York Merchants Association; James E. Davidson, Bay City, Michigan, vice president American Shipbuilding Company, Bay City; James P. Goodrich, Winchester, Ind., formerly Governor of Indiana; James R. Howard, Chicago, Ill., formerly president American Farm Bureau Federation; James D. Noonan, American Federation of Labour; Stephen B. Davis, Washington, D.C., counsel; Charles P. Craig Washington, D.C., executive secretary. I might point out that the secretary of the Canadian board is Mr. George W. Yates, Assistant Deputy Minister of Railways and Canals, and formerly private secretary of the late Mr. Cochrane. In the estimates is included an amount to be paid him, in addition to his regular salary, for performing this work, because we could find no man as well qualified for four times the money.

In order to facilitate the gathering of data for the information of the government and the consideration of the national advisory committee which is to advise the cabinet, the government has thought it wise to select representatives from the several departments which come into contact with the project. A committee which we have called the interdepartmental committee has therefore been formed for the co-ordination of the views of the technical officers of these various departments. It is composed of Colonel Biggar, chairman; Finance, J. A. Russell (alternate R. B. Viets); National Defence, Brigadier-General A. G. L. McNaughton; Public Works, K. M. Cameron (alternate C. R. Coutlee); Interior, J. B. Challies (alternate J. T. Johnston—Mr. Challies having left the service, his place has been taken by Mr. Johnston; Marine and Fisheries, W. J. Stewart—we all regret that he has been taken away—(alternate V. W. Forneret); Railways and Canals, E. B. Jost; Trade and Commerce, Gordon Wrong. This committee meets regularly and has done splendid work quietly and silently. It has rendered available data that could not have been secured in any other way, and if there is never any St. Lawrence development this country will be the richer for the information they have compiled.

To date the joint engineering board has had several meetings, and each section is also at work upon national aspects of the project. Our national advisory committee has had two meetings. Its chief work to date has been the consideration and approval of the terms of reference submitted to the joint engineering board. This committee will also study the recommendations and suggestions of the interdepartmental committee, and when their work is completed I believe they will present a report to the government that will be of very material assistance to us in reaching a decision as to whether this project in all its bearings should be proceeded with, and how.

As to the development of power on the St. Lawrence, I think all Canada will agree with me it would be contrary to the recommendation of the International Joint Commission if any work for the development of power were proceeded with until this investigation

is completed, because any work undertaken, say, at Morrisburg, might be altogether at variance with the report which may be made by the joint board of engineers as to where and how that power should be developed. I should like to see the water-power at Morrisburg or elsewhere on the St. Lawrence developed at once, but as the duty of this government and this parliament is primarily to protect the interests of navigation, it would be unwise and altogether out of harmony with our treaty obligations with the United States and contrary to the recommendation of the International Joint Commission if we did not stay our hand until such time as we have the report of the men appointed by international arrangement for the full investigation of the St. Lawrence waterways project.

Mr. BLACK (Huron): How long will it be before that report will be issued?

Mr. GRAHAM: I think the time suggested is April, 1926, but I hardly think the board will have the work completed by that time.

Mr. MEIGHEN: Mr. Chairman, I would think that if the project ever works its way through this maze of machinery it will be past 1926, before it emerges at the other end. We have first of all the International Joint Commission, which of course has the superintendence of the matter by treaty, and whose approval must be procured before any project can go through. Then, if I followed the intricacies of the organization, there is a joint engineering board, the duty of which, I presume, would be to advise as to method. Then there is another advisory committee, and so far as I got an idea of its functions it is to tell the engineering board what subjects they must investigate and report upon.

Mr. GRAHAM: No.

Mr. MEIGHEN: Well, what matters they must make subjects of reference to the engineering board.

Mr. GRAHAM: The technical officers selected by both countries are members of the joint engineering board. Two were taken from each section to act together and make recommendations as to what should be referred.

Mr. MEIGHEN: That is what I said. That is number three. Then there is a national advisory committee, which the hon. member for Bow River (Mr. Garland) described as looking very much like a Liberal campaign committee; however, the names are certainly distinguished. Apparently it has met twice and approved what some other committee did. This is number four. Then there is an interdepartmental committee gathered from all the departments under the chairmanship of Colonel Biggar, and this is number five. If the purpose was to keep the matter constantly between heaven and earth I think the proper devices have been adopted.

Mr. BANCROFT: Would "between wind and water" not be a better expression there?

Mr. MEIGHEN: I fancy that in the real prosecution of the enterprise there has been a lot more wind than water. I have no particular objection to any of the men who have been named on any of these committees, but really I would not have thought anything quite so complicated was necessary. Under the late government we had a board, one single committee, which had arrived at very definite conclusions as to the general lines of the venture, as to where the dam should be, the nature of its construction and so on, and had compiled data which seemed very amply to support its view. I refer to the Dominion power board. Nominally it sat under my chairmanship, although I never was there; actually it was under the chairmanship of Mr. Challies, who now is on this interdepartmental committee. This is a question that the government has not attacked de novo at all. It has been under review departmentally for years. When the government came into office the Railway department had a most pronounced view on the subject. They had an engineer there by the name of Mr. Bowden, who is since deceased. Mr. Bowden was a member of the Dominion power board. He was most persevering in his own opinion. He never could be got to agree with the other members of the board; he had his plan which differed from the rest. Aside from that, however, there was no difference. Why we should have a committee of great political dignity and a galaxy of others, all filling the heavens at the same time, debating this matter year in and year out, I really do not know. I would not like to see any mistake made as to the development, but with the plans which the Dominion power board had worked out the Hydro-Electric Commission of Ontario were in accord, and the Hydro Electric Commission of Ontario, from the practical standpoint, with the experience they have behind them, would appear to me to be the body best entitled to speak as to how the whole thing should be managed. Of course I am aware that the responsibility of the Dominion is primarily from the standpoint of navigation. The navigation feature of this

enterprise is a big feature, but I do not think I could ever be persuaded that it is the major feature. The major feature is the power development, however we may cover it up under the lee of better navigation and so forth. Great advantage will come from better navigation of the St. Lawrence in the territory affected by the development, but it is comparatively meagre when compared with the commercial harvest that is expected to be reaped from the great potential power. I feel that the utmost consideration should be given to the views of the Hydro Electric Commission in this matter. They have undoubtedly made a success of the pioneering in power enterprises in this province. What they have done is to-day the outstanding example to the whole world of what can be achieved in the matter of great power development. I would be very sorry to see, in the first place, any plan adopted which is not in full harmony with the experience and matured opinions of that body, but I would be equally disappointed to find that by the interposition of a hopeless complex or endless devolution of machinery the aspirations of the people of Ontario for power from this enterprise are indefinitely postponed.

Mr. ROSS (Kingston): It is interesting to note how the system of the United States differs from ours in connection with this matter. Something has already been said in regard to engineering or survey services under an earlier item. I pointed out, or intended to point out then that all these services should be really under one head. To-day the United States are dealing with this project under one department; the officers appointed by them to deal with it are permanent officials of their engineering services. Our system is so divided and subdivided that, like my leader, I have very little hope of a decision being arrived at in the matter. Certainly under the present methods it will take a great many years to reach anything definite. The development of power is of very great importance to this country. Power can be developed on the St. Lawrence in a very few years, but the deepening of the St. Lawrence cannot be completed within from thirty to fifty years—I would say fifty, if we are to judge by the development of other projects now under way, the Welland canal for example. The country cannot afford to wait even thirty years for the development of this power. The Hydro Electric system had under consideration the question of the development of power on the St. Lawrence at two points. First they were willing to take power from a development at Waddington, N.Y., but that fell by the way. Then about 1912 or 1913 came the project of developing power at the Morrisburg dam. We have the assertion of the engineering department of the Hydro Electric system of Ontario that the development by means of this dam would not interfere with navigation on the St. Lawrence, but would rather improve it. I do not think we need hesitate to accept this view of the Hydro Electric engineering department, because they have already undertaken the development of power on the Chippewa river. That project is one of the greatest in North America, equal perhaps to anything in the world. I happened to be there about the time of its completion, when a survey of the work was being made by the greatest engineers of the American Department of Engineering. The men who had planned and brought to completion the great power development on the Mississippi river were there on that occasion, and they had no hesitation in saying that this was one of the most wonderful projects developed on this continent, or indeed on any continent. Consequently, I think we need not cast aside the opinion of a department like the Hydro Electric engineering department of Ontario, and they have already made the assertion that the development of power by the Morrisburg dam will not interfere with navigation on the St. Lawrence.

To shorten the matter, I would urge upon the minister that means be taken to have a quick decision given as to the possibility of the development of power by the Morrisburg dam without interference with the other project. I do not see any reason why that decision should be delayed. The matter is urgent, and this power will be developed without any cost to the federal government or to this country. The matter should be brought to a head at once. Let the engineers who are now discussing it give their decision, and if their decision should be that it would interfere with the St. Lawrence project, we can sit quiet and say all right; we can afford to await a further opinion. But it is urgent that the engineers in connection with this matter should not wait for the larger project, which of course, will be considered further, but should let us have a decision as to whether this Morrisburg development cannot be proceeded with at once.

Mr. MILLAR: I wish to commend the action of the government in one respect at least, that they are approaching this matter with caution. I do not know whether the method that is being followed is the best; I do not know whether the amount that is

being expended is too small or too large; but I am convinced that if this project is proceeded with at once it will be fatal to the best interests of Canada. Some years ago the Welland canal project was launched, and I think perhaps many would have taken at that time the same course the minister took. We were all optimistic, we had not got into the war, but now we can plainly see that the project was started too soon.

I would like to say a word on transportation in connection with the deepening of the St. Lawrence. I have little knowledge of the possibilities or of the necessity or the wisdom of proceeding to develop water-power, but the transportation side of this question is of interest to western Canada. Two years ago when we were discussing this matter, I pointed out that after the Welland canal was opened, great boats would be able to proceed to Prescott, and there the grain could be transferred and taken to Montreal, either by small boats or by rail, for a very few cents; in fact, I believe I said that even if the grain were transferred to elevators at Prescott and taken by rail, the cost in the large bulk would probably be only three or four cents; I am not sure as to the exact figure I stated. After I left the chamber, the hon. member for West York (Sir Henry Drayton) pointed out that the rate there was 13 cents. Now there is no good quoting a rate where there is no grain, or very little, moving. A few years ago the rate from Owen Sound and other points on the lakes, from transfer elevators to Montreal, was 5½ cents; it is now, I believe, about 8 cents. It is quite plain to me that after the Welland canal is opened the cost of transferring grain at Prescott and taking it to Montreal is not going to be great. A small boat can take 80,000 bushels at a load, and which ever way it goes, the cost will be small. But this St. Lawrence waterways project is going to cost the two countries, I think, almost $500,000,000, because you can always double the first estimate with safety.

Mr. COOTE: Double it again.

Mr. MILLAR: It might be. We can plainly see that Canada is hardly in the financial position to stand this expenditure.

There is another reason why I think the government should approach this matter with great caution. When Mr. Hoover, who had been appointed chairman of the commission that has been referred to, came over into Canada, in about his very first speech he made the statement, if the newspapers quoted him correctly, that the commission was going to report in favour of this project. I thought it would have been well for him to have first got the evidence and then have given his decision on the evidence, but rather it would seem he gave his decision first and was going to take the evidence after. For this reason I think it is doubly necessary that our government should be very, very cautious.

There are many phases of this matter that require investigation. It is quite well known that the levels of the upper lakes are much lower than they were a few years ago. Possibly this project may lower the levels of the upper lakes still further. A loss of two or three feet, or even of one foot, when we consider the danger to navigation and the possibility of a big boat striking the bottom, is a very serious thing; it is difficult to estimate the loss there might be in that respect.

Looking back over the history of our canals, we have had three Welland canals, and in each case the expectations of the traffic that was going to come through these canals were disappointed. It was expected that traffic was going to go in that direction in very great quantities, but if you look up the statements that were made by prominent men before the canal was opened and at the figures of the traffic since, you will find that in each case the results have been very disappointing. I am taking the statements of such men as Mr. Sanford Evans, who is perhaps my principal authority. I do not wish to hold up this estimate. I am glad the government are investigating this matter thoroughly, and I shall not object if they continue their investigations for the next twenty years. I believe this project will eventually be undertaken, I think it is proper that it should, but Canada is not ready for it yet.

Mr. MACLEAN (York): What has the minister to say in reply to the suggestion made by the hon. member for Kingston (Mr. Ross) as to whether the Morrisburg proposition cannot be gone on with and power developed there for the Ontario people who want it for their industries, and without interference with this other great project of the St. Lawrence waterways?

Mr. GRAHAM: That is one of the questions the joint engineering board is investigating. It is not all harmony between what the Hydro-Electric suggests and the opinions of the engineers who have investigated this question. One of the matters they are investigating now is the scheme that ought to be adopted, whether it should include the Morrisburg dam, whether power should be

developed there, or whether power should be developed at the Long Sault in its entirety.

Sir HENRY DRAYTON: I really wish my hon. friend would take this up himself. I know there are engineering disputes; there always are, but there is a real practical situation in connection with the development of this power. There are those, and I think the late chief engineer was one of them, who think we should have the development but at the one point, and that the development should be a good deal farther down the river than Morrisburg.

Mr. GRAHAM: At the Long Sault, at Barnhart's island.

Sir HENRY DRAYTON: That is a long way farther down than Morrisburg. The development of that scheme means the expenditure of an immense amount of money, flooding a tremendous area. But one of the chief objections to the scheme is the matter of the riparian ownership which happens to exist at that point, of which my hon. friend is well aware. In other words, if that work is to be a development for the benefit of the people of this country, it will not be there, but it will be at Morrisburg. Certainly there can be development there and there possibly will be development there, and that development can take place perfectly well with the development at Morrisburg. I know there is a dispute between the engineers as to which would be the more efficient, having regard to the total amount of power to be developed. There is a school of thought which holds that if we go down to Barnhart's island we will get a somewhat greater volume of power, and another school which maintains that if we divide the development, doing the best we can at Morrisburg, we will get a greater total than we can in the one development, but the real practical thing is this: Either scheme will give us a great amount of power, and what is wanted is development at a point where the general public will get the greatest use of the electricity produced. I do not think anyone knowing anything about the situation can take any exception to the proposition that so far as the immediate utilization and the larger percentage of gain to the general public is concerned, we will do far better if we develop at Morrisburg. There is another reason for the development at Morrisburg. If we develop there this government is saved all financial commitments. This government has not too much money to spend and we have heavy taxes. Surely it is a good thing for us if we can have the power situation covered without any cost to ourselves, and at the same time reserve all rights of navigation. Surely that proposition is one which requires some immediate attention. I forget how many years ago it is, but I should think it must be three years, since the Hydro Electric Commission put in their application for leave to develop power at the Morrisburg dam. I have not looked into it at all lately. My hon. friend can tell me if I am wrong, but it is some considerably time ago at any rate, and they are just as near getting any action now as they were when they first put in their application. Their proposition covers not only the production of the electricity, which is a great thing for the district which my hon. friend has an immediate interest in, eastern Ontario, but it looks after the navigation end of it. Why can that not be done? Let us see what is happening in the meantime. Here we have got a commitment, owing to this delay, of $10,000,000 at present in the estimates for steam power in Ontario, knowing at the same time that unless proper water development is permitted that amount will grow to $25,000,000. Now, Mr. Chairman, it seems to me that it is perfectly absurd that with the water-powers we have Canada should be asked to put money into a steam plant and asked to continue to use American coal at great expense when we have our own power here running to waste, simply because engineers squabble. I do not think that matter should be allowed to stand. If my hon. friend will take it up himself, and get away from all the different committees that have been erected for the purpose of preventing any action at all, we can get something done, and it should be started immediately.

Mr. GERMAN: I desire to say one word with reference to what has been stated by the hon. member for West York. He suggests that the Hydro-Electric Power Commission should be allowed to go on immediately and construct the Morrisburg dam and develop electrical power at that point. I do not know that anyone who desires electrical power so far as Ontario is concerned will seriously object to that, but the great obstacle in the way is the United States government. They will not agree to the Hydro-Electric Power Commission putting a dam across the river to the American territory at Morrisburg for the purpose of developing American power. So that will stop that proposition at once. I think the government have been delaying this matter too long. I quite agree with the leader of the opposition that we have too many commissions. I think all that was necessary was to have a board of engineers, three on each

side, to supervise and inspect the figures prepared by Mr. Bowden and Mr. Wooten, the Canadian and United States engineers who made the report to the International Joint Commission. It seems to me that all that is now necessary is to have those figures checked up to see if they are correct, and find out that the work will not cost more than the estimate made in that report. If it will not cost more, then go on and carry out the project.

Mr. MACLEAN (York): And Ontario will pay for it.

Mr. GERMAN: Ontario will not pay for it. It is a fact that electrical power can be developed, as outlined in the report of the International Joint Commission, and sold at the switchboard of the power house at a cheaper figure than power is to-day being sold by the Hydro-Electric Power Commission at Niagara Falls, Ontario.

Mr. ROSS (Kingston): Taking the original proposal, what is my hon. friend's opinion as to the time in which power will be developed or could be secured?

Mr. GERMAN: It can be developed under the proposition recommended by the International Joint Commission just as quickly and easily as it can be developed by building the dam at Morrisburg, because it will take no longer to build a dam at the foot of the Long Sault rapids than it would take to build a dam at Morrisburg, and all the dams and locks could be constructed concurrently; so that five or six years should see the completion of the work after the plans and specifications were provided and the contractors told to go ahead and do the work.

Sir HENRY DRAYTON: I think my hon. friend is wrong. In the first place, he is wrong in saying that Ontario will not pay the cost of the Morrisburg dam. The offer is in, and there is no use drawing red herrings across the trail. This is something that is absolutely needed in the public interest. The offer is there and there is no trouble whatever, so far as the government is concerned, on the financial issue. The matter has been standing not for months, but for years. There was some international difficulty at one time I believe, but I know this: A gentleman who was interested in the development on the American side came to see me not so very long ago. He wanted to find out why it was that Canada would do nothing in connection with the Morrisburg dam. He told me that the state of New York was a unit for it, and that there would be no difficulty whatever in arranging for the construction of works to produce electricity upon a fair basis of division, having regard to American rights to the water and also the Canadian rights.

Mr. GERMAN: The state of New York has no more jurisdiction over it than the province of Ontario. The federal government of the United States and the federal government of Canada control navigation on the St. Lawrence.

Sir HENRY DRAYTON: I quite appreciate that; but he said that as far as the United States was concerned they needed the electricity and wanted it just as much as we did, and that if the navigation rights were absolutely secured—and that is the proposition—there would be no objection by the federal government. I do not pretend to know what is going on behind the scenes or what interests are blocking this scheme. I do not pretend to know what particular representations are being made to the government in connection with this, but I believe—and I am pretty sure I am right—that, as I said before, if we were to get rid of the cloud of commissions or committees that are obscuring it, and if the hon. gentleman, in whom I have great confidence were to take this matter up himself, he would find no international difficulty. He has not to find any money from this parliament and, on the other hand, he will enable another organization to function.

Mr. COOTE: Might we have some explanation of the statement just made by the ex-Minister of Finance (Sir Henry Drayton) that the minister would not be called upon to find any money for this project? That is news to me.

Mr. GRAHAM: My hon. friend is getting projects mixed. If the Morrisburg proposition were part of the scheme, that is all it could be; it is not a scheme. What the hon. member for West York is talking about is a dam at Morrisburg to be constructed by the Ontario Hydro Electric Commission for the development of power from which the Hydro Electric Commission would get the revenue. He was not talking about the entire project. The hon. member for Welland (Mr. German) says that before you can put one foot of lumber into an international stream like the St. Lawrence, you have to get the consent of both federal governments. I am not arguing as to the right to power. That is a question for lawyers and I would not venture on that ground. The federal government have appointed representatives of Canada in the International Joint Com-

mission. That commission, having taken evidence all over Canada and the United States, having had the report of a joint engineering board composed of one man from Canada and one man from the United States, says to the people of both countries: Do not go on with this project until you have a further investigation by an enlarged engineering board. That is what we are doing. My view is that the United States—I do not speak positively, but I think I am correct—will not give their consent to any proposal affecting the international section of the St. Lawrence river until they have a report from the joint engineering board.

Sir HENRY DRAYTON: Is it not true that the construction of this dam at Morrisburg would be in ease of future navigation work? To the extent that that dam is put in, navigation is rendered more easy when the complete scheme comes along.

Mr. GRAHAM: It would be if the joint engineering board should approve the Morrisburg dam as part of the ultimate scheme. But they might report adversely to that feature, and say that that is not the best thing to do. I think it is fair to assume that neither government, on account of its obligations each to the other, could give its consent to the construction of a dam at Morrisburg until the joint engineering body appointed by them to report on that scheme had made its report.

Mr. MACLEAN (York): When is that report expected?

Mr. GRAHAM: I gave the date some time ago. I think it is April, 1926, but my personal opinion is that it may be later, because anyone who has studied the question knows how involved the matter is.

Sir HENRY DRAYTON: I am afraid we shall have to look for reports and not for power.

Mr. GRAHAM: I think my hon. friend would do just as we are doing if he were charged with the responsibility. He would not delegate to his province or any other province the responsibility that belongs to the federal authority, and if he did, the province of Ontario could not deal with the United States; only the Dominion of Canada could deal with them.

Sir HENRY DRAYTON: Certainly.

Mr. COOTE: Has the minister a report including an estimate of the cost of the proposed international waterway?

[Mr. Graham.]

Mr. GRAHAM: $253,000,000, if I remember correctly the former engineer's report.

Mr. COOTE: I take it from the remarks made by the minister a few minutes ago that we can be assured the government do not contemplate engaging in any work in this connection until the report of this commission is received.

Mr. GRAHAM: That is the position the government must take.

Mr. COOTE: I just wanted to be assured of that, because, personally, with the limited information we have, I am very much opposed to this country entering upon the construction of the St. Lawrence waterway at the present time. We should first begin to pay off a little bit of the debt already incurred and finish other work which has been started.

Item agreed to.

To recoup the Canadian Government Merchant Marine, Limited, for management and operation of barquentine S. F. Tolmie, $60,000.

Mr. GRAHAM: This is really a bookkeeping item in order to straighten out the accounts of the government merchant marine with the Department of Marine and Fisheries. Some years ago the Marine department engaged the Canadian Government Merchant Marine management to manage a boat of theirs, agreeing to pay the expenses and the loss in operation. The loss in operation was $60,000. The boat was sold and the Canadian Government Merchant Marine carries on its books $60,000. We want to adjust that.

Item agreed to.

Railways and Canals—chargeable to capital—St. Anne's lock: highway bridge at Isle Perrot, $50,000.

Mr. GRAHAM: Parliament voted $150,000 to aid in the construction of this bridge. We have paid $100,000 and this is to pay the balance of $50,000. The bridge was opened in June.

Mr. COOTE: Is it an international bridge?

Mr. GRAHAM: In one way it is an interprovincial matter and in another it is not. This money was voted by this parliament in order to aid a highway project which connects the province of Quebec with the province of Ontario and the west. The Ottawa river does not, in either of its branches, touch Ontario at this point, but a little west of that it is an interprovincial stream. The parliament of the time thought it was wise, in giving this aid to road construction, to aid in the construction of this bridge.

Mr. COOTE: What was the cost of this bridge, and who paid the balance of it?

Mr. GRAHAM: The Quebec government paid the balance.

Sir HENRY DRAYTON: I suppose this is carrying out the original plan?

Mr. GRAHAM: Yes. As a matter of fact, at Ste. Anne, the bridge has to cross the Dominion canal, and that is a perfectly good reason for our contributing an amount towards the construction of this bridge.

Item agreed to.

Trent canal—construction and betterments (revote, $17,000), $42,000.

Mr. COOTE: Why should we spend more money on capital account for the Trent canal?

Mr. GRAHAM: This is for guard gates. Severn division, payment for land damages, erection of lockmaster's house and some other small items. Hon. gentlemen will note, as I explained some time ago, there is not really a reduction in the item because the reduction was added to another place and taken from capital account here because we believed the items should be under another head.

Mr. COOTE: We are spending $42,000 on capital account. From what the minister says it seems to me that it should come under repair account. Why should the department carry items like these under capital account when they add nothing to our capital? Why not be honest and designate it properly?

Mr. GRAHAM: If my hon. friend built himself a house would he not charge the cost to capital account?

Mr. COOTE: But not if I built a new door on an old house.

Mr. GRAHAM: These are not new doors; these are new constructions.

Sir HENRY DRAYTON: I do not know that it makes much difference; it is merely a matter of bookkeeping, because this is added to the net debt. We are not under the same illusion as in the case of the railways.

Mr. COOTE: I think so, for the reason that this canal will not be worth fifty cents more after this expenditure is made than it is now.

Item agreed to.

Welland ship canal—construction, $15,000,000.

Mr. KNOX: This is a large and important item and there is an increase of $4,000,000 as compared with last year, when we thought that the vote of $11,000,000 was quite large enough. I have had an opportunity of looking over the work on the Welland canal and I must say that when I saw it some time ago I was impressed with its magnitude. I studied to some extent the traffic passing through the canal and the estimate I got then has been corroborated to-day by the minister; that there was a traffic of some 5,000,000 tons over the canal last year. It struck me that the canal was giving very good service as it was, and at a time like this when our finances are more or less limited it did not seem to me advisable that the expenditures there should be increased. I discovered some time ago in answer to a question that the work on the Welland canal is expected to be completed in 1929. So far the expeditures on the canal total $51,203,488.15; that was up to the beginning of the present season. But as it is estimated that the total requirements for the work demand some $100,000,000, it will be seen that we have still something like $49,000,000 to provide before the canal will be completed. Spread that over five years, including the present year and the year 1929, and you have an annual expenditure of less than $10,000,000. Why therefore should we be spending $15,000,000 this year? That is what is bothering me. We have been spending rather lavishly too in other directions. For instance, there is an item of $5,000,000 for Quebec harbour. Is it necessary that we should spend $15,000,000 this year on this work when other projects elsewhere are not, so far as we know, receiving very much consideration?

An hon. MEMBER: The Hudson Bay railway.

Mr. KNOX: Yes, that is the very thing I had in mind. We may be told of course that as the session is not yet over there is still some prospect in that regard; but from all the information that is available, things do not look very promising. Under these circumstances I do not think I should be doing anything but what might be reasonably expected of me if I protested very strongly against so large a vote for the Welland canal. I move therefore that item 111 for the Welland ship canal construction be reduced by $5,000,000.

Mr. GRAHAM: I do not think the hon. member can be serious. If he is, then he has not the faintest idea of what a business proposition is. This work is all under contract except one section of it and if we refused to

carry out our contracts we should still have to pay the money, and that would be paying for work that is not done. Parliament cannot take any different position in business from that which any private person would assume. If my hon. friend had a man engaged to build a house for him he would want to have the work done as quickly as possible.

Mr. KNOX: But I would try to provide the money before letting the contract.

Mr. GRAHAM: The money is always provided before the contracts are let. I repeat, this work is all under contract and we cannot afford not to carry it out. If the hon. member gave a man a contract to build a house what would he do if somebody else came along and advised him not to put the roof on this year but to let the contractor discharge his workmen? Why, he would not think of such a thing for a moment either in his own interests or as a matter of fair play to the contractor. The Welland canal was started at the request of the western people, and I say that emphatically because I know.

Mr. KNOX: Did the minister ever receive a request signed by 125,000 people of one province urging that this work be completed, as was done in the case of the Hudson Bay railway a few days ago?

Mr. GRAHAM: The people of the west urged the government to have this work done. I do not think my hon. friend was in the firing line then.

Mr. KNOX: Yes, he was.

Mr. GRAHAM: At any rate, they urged the government to pledge itself to the completion of the Welland canal at the earliest possible date. That was the state of public opinion in that part of the country then, however it may have changed. I say emphatically that the Welland canal was started largely at the request of the western people to reduce the cost of carrying their commodities. My hon. friend objects now and he gives as the reason for his objection the fact that the Hudson Bay railway is not getting a vote.

Mr. KNOX: That is one of the reasons.

Mr. GRAHAM: Well, that may be an excuse but it is no reason; it is not a reason that will carry my friend along. Suppose when the Hudson Bay railway started, members in parliament had refused to vote anything for it because votes were not being asked for in connection with other undertakings. Would that have been any reason for not voting expenditures for that railway?

Mr. FORKE: The point on which the committee would like some information is whether it is absolutely necessary that the canal should be finished right away.

Mr. GRAHAM: The longer it waits the more it will cost. When the war came on the government of the day stopped construction and they had to settle with the contractors. After the war regular construction started again. I think hon. gentlemen have a wrong idea of the Welland canal, and I believe that no part of Canada would object more than the west, particularly those there who send their grain eastward, if we now stopped construction or retarded it. At the present rate it will take four years to finish the work. Does any hon. member think it would be good business to leave one section unconstructed? We might as well stop work altogether, because the canal cannot be opened for use until every section is completed. Suppose we let up on the work, the canal could not be utilized and our investment would be idle.

Mr. KNOX: Does the minister say it will take $15,000,000 annually for the next five years to complete the work?

Mr. GRAHAM: I do not think it will.

Mr. COOTE: A little more I think.

Mr. GRAHAM: The contracts will be completed as we go along, and as there is only one new contract to be let a less amount will be required each year. I think hon. gentlemen will see the wisdom of getting this work completed. I have not lost faith in the conviction I have expressed many times, that the completion of the Welland canal, so that grain can be carried in bulk down the St. Lawrence, will reduce the cost of carriage to a very marked extent.

Mr. SPENCER: The minister stated that most of the requests for undertaking this work came from the western provinces. Was it from members of parliament, boards of trade, or the organized farmers' associations?

Mr. GRAHAM: I think I am safe in saying that in one section of the west that Sir Wilfrid and I visited there was not one single point where we were not urged to start construction of the Welland canal. There was another body of people—a small body, but they have increased greatly in the meantime—that urged the construction of the Hudson Bay railway. These were the two things urged on us throughout the whole trip. Of course, it is a matter of history now that the Pacific coast route has opened up. On my return

from that trip, even coming through the prairie provinces, I was laughed at for saying that in a few years they would be shipping some of their grain to the Pacific coast, because it was then objected that we could not ship grain through the tropics in bulk, it must be put in sacks, and so on. But as to the east bound traffic, I am still of the conviction that the men in the west who asked for the Welland ship canal were wise, and that we ought to complete it as soon as possible.

Mr. MORRISON: Was it mainly at the request of western people that the government of the day started this project, or did not eastern representations have equal, if not more, weight with the administration? The minister says the contract was stopped when the war came on. That happened with the Hudson Bay route, too.

Mr. GRAHAM: That was stopped afterwards, I think.

Mr. MORRISON: The government saw their way clear to resume work on the Welland canal, but they forgot all about the Hudson Bay railway. I think they should treat both projects alike.

Mr. MILLAR: I am a little in doubt what course I should take towards the amendment. There is one aspect that I would point out. At the present time the cost of carrying grain from the head of the lakes down to Port Colborne runs from two and a quarter to four cents a bushel; that is for about a thousand miles. It costs about ten cents a bushel to carry that same grain a little over a third of that distance from Port Colborne to Montreal. There is a hundred and fifty miles of lake Ontario in the route that takes the higher rate, simply because the Welland canal will not permit of any more than light loading. With the completion of the Welland canal, that hundred and fifty miles of lake Ontario will belong to the route that takes the lower rate. For that reason I have felt a little more favourably inclined towards the Welland canal than perhaps have some of my colleagues because I believe it will be a greater benefit than some now realize; while I am convinced that the benefit from opening the St. Lawrence will be less than many anticipate. While I have no doubt whatever that the minister has ground for his statement that this canal was started largely because the west were asking for it, yet as against that I would say that although I was connected with farmers' organizations as far back as 1901, I never at any time heard any demand for this work; at least, I cannot remember any. However, the project has been started and a lot of money invested in it, and unless it is completed a lot of the investment will stand idle.

An hon. MEMBER: The same with the Hudson Bay railway.

Mr. MILLAR: True. I think both should be completed.

Mr. CAMPBELL: Mr. Chairman, I am not at all convinced that the completion of the Welland canal will be any material factor in reducing grain rates on the lakes. One thing stands out clearly in the study of the situation, that the only real factor in keeping down the rates on traffic between the head of the lakes and Montreal is the competition from American sources. Grain is always carried at a cheaper rate on a mileage basis to the American ports than to our ports, and that again is determined almost entirely by the amount of coal and iron ore that is handled on the lakes. Anyone studying the situation will be struck with that fact. When the coal and iron ore traffic falls off, it leaves more shipping available for the handling of grain, and consequently the grain rates automatically go down; while during the period of active traffic in iron ore and coal those rates go up. One thing that has a great deal to do with this on the Canadian side is our coastal laws, which prevent American ships bringing grain to Port Colborne, and is a great factor in diverting our grain to United States ports. After giving the matter a good deal of study, I am still to be convinced that this canal will ever be a factor in determining grain rates on the lakes.

Mr. WARD: Mr. Chairman, I am sure it must be patent to all of us that if the Welland ship canal is to be of any real economic benefit to western Canada we must start to deepen the St. Lawrence river down to Montreal. I have stated on previous occasions that I do not believe the construction of the Welland ship canal will reduce the carrying charges on grain one iota. The minister has accused us of not being sincere. Well, I do not think he is sincere when he tells this House—

Some hon. MEMBERS: Order.

Mr. GRAHAM: Pardon me, I have never in my life accused a man in this House of being insincere; and I have never before been accused of insincerity myself.

Some hon. MEMBERS: Take it back.

The CHAIRMAN: Order.

Mr. WARD: Mr. Chairman, I do not think the minister meant it in a derogatory

sense at all, but he referred to the hon. member for Prince Albert (Mr. Knox) as not being sincere in moving his amendment.

Mr. GRAHAM: I have never said a word since he moved his amendment.

An hon. MEMBER: Withdraw.

Mr. WARD: Wait just a minute.

The CHAIRMAN: Order.

Mr. WARD: I have been connected with farmers' organizations in western Canada for over twenty years, and in all that time I never heard a demand for the Welland ship canal until I arrived in Ottawa. I am convinced that this project was commenced only at the instigation and on the request of the lake shipping companies. It is just like the deepening of our waterways—of the St. Lawrence, for example. We are deepening the St. Lawrence, spending some twenty to thirty millions before we get through, to satisfy an obsession on the part of the shipping companies who wish to build greater and greater boats. The same is true of the Welland ship canal. A number of us visited the Welland ship canal a few weeks ago and we were amazed at the extent of the project. The hon. member for Prince Albert (Mr. Knox) was well within the mark when he said that $50,000,000 more would be spent upon it. The engineer informed us that $60,000,000 would be required, and on the basis of former estimates in connection with the project, that will mean that the canal will cost us $130,000,000. I think the original estimate was $55,000,000. It has now reached $110,000,000 and will probably go to $125,000,000 or $130,000,000 before it is completed. The minister made some reference to contracts. Of course he was very careful not to mention the contract that was made with the western people for the completion of the Hudson Bay railway. There surely must have been a contract to complete that ninety-two miles of road where the grade was all built and the material was all on the ground for its completion. Eminent railway men have frequently stated that three months would have completed the road to the bay. In 1919 we had two debates on the Canadian Government Merchant Marine, for which this parliament voted $8,000,000, the excuse being given that the government must continue the merchant marine in order to give employment in and around Montreal. Sandwiched in between these two debates was the debate on the Hudson Bay railway, where the excuse given for the course adopted was lack of labour. At that time the deputy minister, whom we have with us to-day, stated that $1,750,000 would complete the Hudson Bay railway, yet this parliament voted $8,000,000 for such a wild-cat scheme as the merchant marine. I wonder sometimes just what has happened in the last few years. What influences have been at work? I have before me a clipping from the Manitoba Free Press of 1890, which states:

> The Manitoba members waited on Sir John Macdonald at Ottawa and presented a petition signed by 130 members of the House of Commons, asking the government to aid in construction of the Hudson Bay railway; Sir John promised to lay the question before his colleagues at the earliest possible date.

I have another clipping here from the Manitoba Free Press of 1895 which states that it was announced that the Dominion government would grant $2,500,000 for the Hudson Bay railway.

Mr. McBRIDE: Mr. Chairman, I rise to a point of order. We are not debating the Hudson Bay railway, and I do not think any member of the House should get up and make a statement such as the hon. member did without the Chair calling him to order.

Mr. CAMPBELL: I submit that the hon. member is perfectly in order, because he is only discussing the Hudson Bay railway by way of comparison.

Mr. RINFRET: You are doing that every day.

Mr. RAYMOND: Was not the canal started in 1823?

Mr. WARD: The Welland ship canal was started in 1913.

Mr. RAYMOND: They held a centennial the other day.

Mr. WARD: It was started in 1913. We had then been three years on our way with the Hudson Bay railway.

Mr. FORKE: The hon. member for Brantford (Mr. Raymond) is mistaken.

Mr. IRVINE: It started some time, anyway; what is the difference?

Mr. WARD: The minister again will refer to the matter of contracts. The Welland ship canal was only started at that time. A few survey parties were on the ground in 1913; some work was done in 1914 and 1915 and then work was suspended until 1919. At this date the Hudson Bay railway was practically completed. It has been questioned in this House whether the west has actually paid for the Hudson Bay railway.

The CHAIRMAN: I am afraid the hon. member is getting beyond this item. It is

quite within the rules to refer to the Hudson Bay railway for the purposes of comparison, to support the argument that this item may be greater than it should be in relation to some other item. But the hon. member is not in order to make extended remarks with regard to some matter that has not to do with this item, which is for a specific purpose.

Mr. WARD: My point is that the minister has distinctly stated in this House that it is the west that is asking for the Welland ship canal. I will state here and now that if work was stopped on the Welland ship canal to-morrow the minister would not receive a solitary resolution or request from western Canada to continue the work. It is unfair to charge the west with responsibility for this project. As the hon. member (Mr. Knox) has stated, 125,000 original names were placed on a petition from Saskatchewan asking for the Hudson Bay railway. I have in my office—I have not presented it to the House—petitions containing several thousand names—

Mr. POWER: I rise to a point of order. The hon. member is repeating his argument on the Hudson Bay railway, stating the number of names he has attached to a petition. I will call attention also to the fact that the hon. gentleman has not apologized for making certain remarks with respect to the Minister of Railways.

Mr. WARD: When the minister apologizes to the hon. member for Prince Albert, then I will apologize.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Order.

Mr. WARD: I am simply proving my previous statement. My whole argument is based upon the minister's statement that the responsibility for the construction of the Welland canal is upon western Canada. That I contend is not correct.

Mr. MACDONALD (Pictou): Might I interject one word? I had the honour of going west with the late Sir Wilfrid Laurier in 1910, and I was present with him on several occasions when boards of trade and prominent business men in the west pressed on him the necessity of proceeding with the construction of the Welland canal.

Mr. WARD: Were there any representatives of the farmers' organizations in western Canada present?

Mr. MACDONALD (Pictou): In many centres in the west representative public men in their respective communities waited on Sir Wilfrid Laurier and asked for the construction of the Welland canal. I do not know who they were individually at this time.

Mr. WARD: I think the argument is immaterial. We are also told in this House very frequently that railway charges in western Canada do not pay for the operation of the National railways, and that is given as an excuse why work should not be continued on the Hudson Bay railway.

Mr. JELLIFF: I would like to know on whose authority the hon. gentleman makes the statement that nobody in western Canada wanted the Welland canal. I think we did want it.

Mr. WARD: The press as a rule reflects pretty well the sentiments of the people in any particular part of the country, and I defy any member of this House to show me one article in a newspaper in the last three years asking for the Welland canal.

Mr. McTAGGART: Within the last two years an association was formed in the city of Swift Current, called, I think, "The Greater Waterways Development Association," whose object it is to urge upon those in authority the necessity of proceeding with the development of this great waterways scheme.

Mr. WARD: I wonder what has become of that association. We have not heard anything of it for the last few years.

Mr. CHAPLIN: We get a circular from it every few days almost.

Mr. WARD: I have not heard the hon. member for Maple Creek backing up that association very strongly.

Mr. POULIOT: Mr. Chairman, I rise to a point of order, to ask that the hon. gentleman apologize for what he said to the right hon. Minister of Railways.

Mr. WARD: I think, Mr. Chairman, that I have absolutely proved what I said at the outset.

Mr. RINFRET: Of course, for you said nothing.

Mr. WARD: The newspapers tell us that none of us say anything in this House. It is my intention to support the amendment of my hon. friend from Prince Albert (Mr. Knox). I think he has set forth certain reasons why we should not vote this large sum of money at this time. I do not believe Canada can afford a project such as the Welland ship canal, which we do not believe has any

economic value for the people of western Canada, who are charged with the responsibility for this project. It does look as though there might be some connection between this vote and the coming election. I am not sure whether that is so or not. I think, however, we are being very generous with the people of that part of Ontario, and with the shipping interests who will largely benefit by the construction of this canal, if we vote the sum of $10,000,000.

Mr. HEALY: I had not intended to take any part in this debate, but on account of the extraordinary attitude taken by a very few western members I would like to say just a word. As one who lives in one of the great inland ports on the Great Lakes—

An hon. MEMBER: Belle River?

Mr. HEALY: The hon. gentleman should not be so naughty. That expression is the pet remark of the right hon. leader of the opposition. I should think the hon. gentleman himself in the course of two years might get an idea of his own. I am sorry the Minister of Agriculture is not here. I would like to draw his attention to a new western disease that apparently has arisen in a portion of Alberta. It seems to be grain on the brain. It ought to be stopped before it spreads any further into Ontario and the rest of the country.

Speaking for the city of Windsor, we are very anxious that the Welland canal work should be completed. Without ports such as we have at Windsor it would be very difficult to get revenue enough to run this country either now or in the future. I would just like to tell these gentlemen from the west that last year the direct revenue from the city of Windsor in customs and excise was twice as great from that one port alone, in the county of Essex, as the combined revenue from the provinces of Alberta and Saskatchewan. That only refers to customs and excise. If the direct revenue paid by the people who live in the port of Windsor and within a very few miles of it in income tax were compared, it would be found to be twice as the combined revenue of those two western provinces. We are willing in Ontario to co-operate with the west, and we have shown it in every way, but we do want a little co-operation from the west when we are trying to develop this great inland waterway. I would like to point this out to these few gentlemen who are objecting to everything we have in Ontario that seems to be making money for a district which seems to be progressing.

Mr. KNOX: Do you not mean spending money?

Mr. HEALY: If we are spending it, we are making double the amount for Canada as a whole. I have pointed out one very strong argument in favour of the continuance of this work, and that applies to all the other inland ports, every one of them. I did not believe a man lived in Canada, knowing anything about transportation, who was not absolutely convinced that the longer the water carriage which lessens the rail haul the cheaper the rate even if you add only a hundred miles to the water transportation and take it from the rail haul. We at Windsor load our canned goods on boats, tranship them at Montreal, send them around by the Panama canal, land them at Vancouver, and beat the rail rate from Windsor to Vancouver by 20 cents per case. Surely that is a demonstration of the argument that every mile added to the water carriage deducted from the rail haul reduces your rate, and I would like a little co-operation from the west when we are trying to do some things in this part of Canada to build up our country.

Mr. COOTE: I think the hon. member takes a rather peculiar way of asking for a little co-operation. He speaks of the amount collected in customs and excise taxes at the port of Windsor, and I wondered a bit, because that is the place, I think, at which the automobile parts are brought into this country which are later assembled into automobiles here, and sold to us at an advance of 37 per cent over the price in the United States, and in some cases at an increase of 41 per cent.

Mr. HEALY: That is the same speech you made a month ago, and you were voted down.

Mr. COOTE: My motion was voted down, and I did not get much co-operation from Ontario at that time. If there is one district in Canada that is receiving undue favours at the expense of the rest, it is the district surrounding Windsor, Ontario, where automobiles are manufactured.

Mr. IRVINE: The hon. member said that every mile added to the distance to be travelled by water reduced the rate to be paid. Will he tell me how many miles a ship would have to go before the rate would be reduced to nothing?

Mr. COOTE: The hon. member for North Essex made that statement and my hon. friend

should ask him that question. When my hon. friend from North Essex was speaking about the amount of taxes they returned to the treasury there, I could not help but think that they must collect those taxes from somebody else. So far as automobiles are concerned they certainly do, and it reminded me of a certain class of people referred to in the New Testament, called the publicans. They were the tax collectors. They purchased from the government the privilege of collecting taxes from the people. They paid a certain amount to the Roman government and went out and collected all they could from the people. That is the position of certain people in the vicinity of Windsor. They are tax collectors for the Dominion of Canada, but they put so much in their own pockets through the process that they are liable for the biggest income tax of any part of the Dominion of Canada. If the hon. member for North Essex can find any glory for the people of Windsor out of this situation, let him have it.

To go back to the Welland ship canal, the item under discussion, we have already spent on this canal, we have been told, $51,000,000 odd. It is estimated by engineers that it will take another $60,000,000, making a total of $110,000,000, and if this estimate is no better than the estimates were in 1909 or 1910, it will run up to $125,000,000 or $150,000,000. But let us leave it at $110,000,000, and add to that the interest on the money put into this work every year and that will be put in every year until 1930, when the canal may be ready for operation, and you will find we will have an investment of $130,000,000 at least. The interest at five per cent would be $6,500,000, as we are paying at least five per cent on the money we are borrowing. That shows how much it will reduce the freight rate on grain! I find according to the statements given by the minister to-day that possibly 100 million bushels of grain came through the Welland canal last year. If you are going to spend $6,500,000 to reduce the carrying charges on 100 million bushels of grain, you are adopting an expensive method of reducing the freight rate. Before we would be justified in proceeding with the Welland ship canal, and before we are asked to vote on the amendment moved by the hon. member for Prince Albert, I think we should have some more information from the Minister of Railways. We have not been given any reason why the construction requires so much more money this year than in previous years. We spent, in round figures, the following sums:

1915	$4,000,000
1916	4,000,000
1917	3,000,000
1918	1,000,000
1919	1,000,000
1920	3,000,000

In 1920, when the war was over and we were well started again we spent $3,000,000.

1921	$5,000,000
1922	4,000,000
1923	4,000,000
1924	6,000,000
1925	11,000,000

Last year we advanced to about $11,000,000. Why should we jump up this year to $15,000,000? I hope the minister will give us some explanation of that and tell us also what contracts are now entered into. This is information I asked for some weeks ago. I would like to know how many contracts there are, the amount necessary to complete them, new contracts are to be let, and what they are intended to cover, and what will be spent under them.

Mr. GRAHAM: My hon. friend will see how impracticable he is. He is asking for these figures. He wants us to advertise what we expect the tenders will be. Surely he would not want us to give that information and tell the House what we expect to spend under the contracts. It would be telling the public what we are going to spend.

Mr. COOTE: What is going to be spent this year under these different contracts? Is it necessary that these contractors should work twenty-four hours a day under their contracts? Some of them I understand are doing that. If the canal will not be completed until 1930, we will save a good deal of interest between now and 1930 if we keep down the expenditure to a reasonable amount, and let the amount we spend on the canal each year increase, as far as we can, up to the probable date of completion. I doubt whether the country is wise in finishing the canal at this time, because I believe there is an expenditure of $70,000,000 ahead of us before we can put a boat in it. I doubt if we can save enough on the reduced freight rates to pay the interest on the money which will have to be paid to complete the canal. I think we might have some information on this.

Mr. GRAHAM: My hon. friend wants to know how much we are spending each year. The expenditure is as follows:

Sections 1 and 2	$1,800,000
Sections 3 and 4	3,700,000
Section 5	100,000
Section 6	500,000
Section 7	1,400,000
Section 8	2,900,000
Cement	1,900,000
Metal work for locks	150,000
Steel gates and machinery for locks 1 and 7	400,000
Bridge superstructure	1,000,000
Right of way, sections 6, 7 and 8	300,000
Engineering staff	500,000
Construction railway	100,000
Metal work on watering gates, locks 4 and 8	150,000
Fabrication on watering gates, lock 8	15,000
Miscellaneous, contingencies	85,000
Total	$15,000,000

I might say the department asked me for a lot more than that and I cut it down to $15,000,000.

RHINE FRONTIER

Mr. MACKENZIE KING: Before the committee takes recess, I desire to lay upon the table two documents, one a note from the German government, February 9, 1925, and the other a note from the French government June 16, 1925, both relating to the German Security Pact proposal.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Gordon in the chair.

Mr. LOVIE: When the committee rose at six o'clock, we were discussing the whole of the Welland canal. I suppose, Mr. Chairman, if you are adhering strictly to the rules, we would have to speak on the amendment alone, and in that case I would discuss only the amendment. But if you give the same latitude as other hon. members have had, I will take a few minutes to discuss the Welland canal. The hon. member for North Toronto (Mr. Church) mentioned this afternoon that he thought all the members should visit the Welland canal and see it at close quarters. I was one of a party who visited the Welland canal this session; we went right from the lake Ontario end to the Port Colborne end, and as well we had a sail out on the lake around the harbour at Port Colborne.

Mr. MACLEAN (York): Did the hon. member see the Hydro-Electric too?

Mr. LOVIE: No, we did not. We did not see anything except the Welland canal. We were not interested in anything except examining the locks and the wonderful digging and other work that was being carried on there. I would not say that Canada was wise in starting work on the Welland canal at the time she did, because, in my judgment, Canada should have had at least 20,000,000 of a population before commencing such a work as the Welland canal is. The unfortunate feature is that even after the work is completed—and it will not be completed until about 1930—no particular benefit will be derived from it, for this reason, that the boats which are now unloading at Port Colborne will simply be able to get through the ship canal and then they will have to unload at Prescott or Kingston. They will not be able to get down to Montreal, and consequently no particular saving is to be effected by this work. I certainly would have been opposed to the work being started at the time it was, but in my opinion Canada cannot afford to stop the work to-day. It has gone on so far now that it cannot be stopped and it will have to be completed. There is such a quantity of plant, outfit and material on the ground that a tremendous loss of money would occur if the work were stopped, and a further tremendous amount of money would be required if the work were to be started up again. Although $15,000,000 which is going to be voted this year looks a huge sum, although it is going to take about that same amount of money every year until 1929 or 1930, and although it seems almost beyond reason to be voting such an amount of money, at the same time I hardly feel I can afford to support the amendment moved by the hon. member for Prince Albert (Mr. Knox). I think the more money that is voted and spent wisely, the sooner that undertaking will be finished now that it has been started.

Mr. BROWN: I wish to make a few remarks along the same lines as those of the hon. member for Macdonald (Mr. Lovie). Like the hon. member, I was one of a party who felt that we were discharging an obligation and, at the same time, fulfilling a very pleasant duty in inspecting the Welland canal. The hon. member for North Toronto (Mr. Church) undertook to advise western members to inspect that great work. I venture to assert that more western members have visited that canal than, perhaps, members from Ontario and certainly members from Quebec or any of the other provinces. Emphasis has been laid upon the fact that this was started at the instance of the western people. I have no doubt that such was the case; but I think the minister knows, governments know, and mem-

bers of parliament know, that when persons interested want to get recommendations for a certain course of conduct, all they have to do is to circularize a certain number of people and they are sure to get those recommendations. I would suggest that possibly something of the same kind must have happened out in the west when pressure was brought to bear by various boards of trade on the government of the day to begin that work. I had the privilege of coming to Ottawa in 1910 with the farmers' delegation, and they made many demands upon the government, among them, of course, the Hudson Bay project, but I cannot recall that the Welland canal formed any part of the representations made to the government at that time. Certainly, during all my connection with the farmers' organization it has never been a subject of discussion. That, however, is not very much to the point at this juncture.

I had the pleasure of inspecting the Welland canal and, as a Canadian glad to see Canada doing big things in the world. I must say that it was a matter of pride to me to see the work that is being done there. No person who has not seen that work can form an adequate conception of the magnitude of it. I suppose, outside of the Panama canal, there are not many works that will exceed the Welland canal for magnitude and splendour when it is completed. At the same time, I have very grave doubts as to the wisdom of the undertaking in the first place. It might easily be demonstrated to-day that the interest on the money invested would have transported an immense quantity of grain from Georgian bay ports to Montreal by rail, and the present Welland canal would then have served all the other purposes for which a canal is required. One thing that was made clear to us the day we were there, was that the present canal is not large enough to accommodate the increasing traffic. We saw for ourselves that the traffic was becoming very congested. While there might be some criticism of the work as a commercial undertaking, there cannot be any criticism of it from the standpoint of a magnificent engineering feat. While it might be hard to prove that it is warranted as a commercial undertaking, now we are in it, like the hon. member for Macdonald I do not see how it can be stopped. Sometimes when you get into a bad place, the best thing to do is to make haste and get through as quickly as you can. As I view the matter at the present time, if this work is to be completed, as it certainly will be some time in the future, I do not see that anything can be gained by unnecessary delay in the prosecution of it. A delay of one year would be of no value from the standpoint of economy. It would have to be five or ten years and by that time the plant that has already been installed would be in such a state of disrepair that a tremendous loss would be involved. I question very much the immediate effect of the Welland canal on grain rates; I do not think that the anticipations of those who so strongly advocate this project will be realized in the near future. At the same time I cannot see that there is anything else we can do than carry the work through to completion as speedily as possible.

Mr. MEIGHEN: If the present canal is too small for the traffic that is going through it, what on earth is to be done but enlarge it?

Mr. BROWN: I did not elaborate the thought I had in mind. I can see that the interest on the amount that will be invested in the new canal would pay the freight from Georgian bay points to Montreal by rail on such a large quantity of wheat that the present canal would take care of all the other traffic. There is no question that the present canal will not accommodate all the traffic which will go on increasing in the next few years. With that situation in mind, and for the reasons I have already stated, I do not think it would be sound economy to delay the work unnecessarily. I do not feel that I could logically support the amendment. I do not know what commitments the government has made for the coming year, but in the absence of the fullest information I should not like to move that the item be cut down by any specified amount. Certainly I would not want to do that without a great deal more information than we have at the present time. In controversies of this kind we often get into illogical positions. The hon. member (Mr. Healy), who was properly attended to by the member for Macleod (Mr. Coote), made the mistake, which so many people make who come from eastern constituencies or from ports, of thinking that because these places are points of entry the people there are therefore paying all the duty. We have heard that argument from Montreal and Toronto and to-day we have had it from Windsor. Because it is a port of entry the people there are under the impression that all the duties collected at the port are by those in the immediate neighbourhood. As a matter of fact instead of their being taxpayers they are in a large measure tax collectors for the Dominion. It is such utterly absurd suggestions that sometimes lead us to question the

statements of hon. gentlemen on other subjects.

Mr. MILNE: Since coming to the House I have not heard anyone justify the expenditures on the Welland canal from the standpoint of freight traffic. After visiting the work that is going on there I have endeavoured to study canals generally to some extent. Although I do not pretend to have covered the entire field I must say that such literature as I have read on this subject does not incline me to justify the construction of the Welland ship canal. It seems to me that it is unwise to put these large expenditures into the project. I find two statements, one to the effect that it would reduce the cost of hauling wheat to the seaboard by 10 cents per bushel if the canal were completed. At present it costs less than 10 cents to carry wheat from Fort William to Montreal with the facilities we have, so that that statement is absurd. The other statement is that it would save the western farmers 5 cents a bushel. This is absurd too. As a matter of fact neither of these statements was signed; I do not know who the author was. Under the circumstances it is hardly to be wondered at that the western farmers, given to understand that they would be saved 10 cents a bushel on their freight, should clamour for the canal as suggested by the Minister of Railways.

Mr. ROSS (Kingston): Does my hon. friend believe that it would save one cent a bushel if the big boats were enabled to go through?

Mr. MILNE: If the hon. gentleman will wait I shall come to that point. Now, this is the literature that has been circulated to justify the construction of the Welland ship canal and I claim that both of these statements are quite ridiculous. But apart from this, I have been looking into the subject generally and studying the history of canals. I find that the Welland ship canal is regarded as one of the outstanding feats of engineering, surpassed only by the Panama canal. Canals generally were at their best in the eighties but since that time the traffic has gone down rather than increased. I will admit that perhaps our canals are in a different class. I have been looking into the Manchester ship canal, connecting the city of Manchester, England, with the ocean. This canal has proved an absolute failure financially. To start with the engineers made the same mistake in connection with their estimates for the construction of the work as the average engineer does in this country, for the estimate was about half what the cost of construction proved to be on the completion of the work. People who were directly interested in it advocated the construction of the Manchester ship canal on the ground that ocean going vessels would be able to come right into the city of Manchester, but they found that the tonnage instead of increasing had diminished in the last few years. Ocean vessels rather than go up the thirty-five miles of canal unload at the seaboard, the freight being carried on by rail. The overhead in connection with the canal is so tremendous that the railways can compete, and as a matter of fact they can carry the freight at a lower cost. The capital cost of the Manchester ship canal, which perhaps is nearest in comparison to the Welland canal, was $2,850,000 per mile while, if I am not mistaken, the Welland canal when completed will have a capital cost of about $5,000,000 per mile, or nearly twice as much. This being the case, I doubt very much that we shall ever be able to reduce the cost of transportation through the medium of this canal. We must remember too that the railway companies today are making great strides in the direction of cheaper transportation. They are able to load huge trains nowadays as compared with a few years ago and in this way they can carry freight at a lower rate. For that reason I do not believe that we shall effect very much of a reduction on the Welland canal. As I have said, I am not an authority on canals, but from the two or three books that I have read on the subject I have come to this conclusion. I understand that a few years ago the United States appointed a committee to investigate the canal situation in that country and also Europe, where there are a great many of these waterways, and the general report seemed to diiscourage further expenditures on construction so far as bringing about any reduction in transportation costs was concerned. Without going further, I am of the opinion from all the information that I have been able to gather on the subject, that there is very little chance of reducing the cost of transportation on the canals owing to the extremely high overhead. I should like to see the officials of the department prepare an estimate of the tonnage expected and the possible saving on freights by the use of the proposed canal. I may have been unforunate in reading authors not in favour of canals, but so far I have not seen one estimate substantiated, and I want to see something authentic as to the possible saving.

Amendment (Mr. Knox) negatived: Yeas, 12; Nays, 77.

Item agreed to.

Railways and Canals—income—to increase amount authorized by vote No. 137 main estimates 1924-25, additional amount required, $7,500,000.

Mr. MACDONALD (Pictou): Mr. Chairman, I move that the item be struck out.

Mr. MEIGHEN: Will the minister tell us what guarantees have been given to the Canadian National Railways since March 31?

Mr. GRAHAM: None.

Mr. MEIGHEN: What were given between January 1 and March 31?

Mr. GRAHAM: I would have to look that up. I will give my right hon. friend the particulars when we get to the main estimates of the Canadian National Railways.

Motion agreed to.

Item withdrawn.

Miscellaneous—to provide for adjustment of allowance of pay for Railways and Canals employees while they were on service in the Canadian Expeditionary Force during the Great War, $6,500.

Mr. MACDONALD (Pictou): Mr. Chairman, I move that this item be stricken out.

Mr. MEIGHEN: Will the minister tell us the secret history of this vote?

Mr. GRAHAM: We passed a vote a year ago to pay certain of these allowances. This year it was decided the item should not go in. It is here by error.

Motion agreed to.

Item dropped.

Railways and Canals—chargeable to income—canals—Ontario—St. Lawrence—additional amount required (revote), $40,000.

Mr. MACDONALD (Pictou): I move that this item be stricken out.

Mr. GRAHAM: The item is really in the main estimates.

Motion agreed to.

Item dropped.

Railways and Canals—chargeable to capital—railways—Canadian Pacific Railway—original construction, $1,354.16.

Mr. MEIGHEN: What is this?

Mr. GRAHAM: This is an item moved every year for the settlement of old claims on Canadian Pacific Railway lands. Many years ago the Canadian Pacific Railway Company was given a certain line of railway, and year by year little claims crop up in connection with the land; these have to be settled. It is really in the Indian department.

Item agreed to.

Canals—Welland—Port Colborne elevator construction—additional amount required, $15,000.

Mr. GRAHAM: Most of this amount is required for connecting up the annex to the Port Colborne elevator.

Mr. BANCROFT: Is it necessary to go on with this work? It will all have to be abandoned as soon as the Welland canal is completed, and then we will have to build new elevators at Kingston, Prescott and other places.

Mr. GRAHAM: This work is completed, but it cost $15,000 more than was anticipated. I disagree with my hon. friend when he says that the Port Colborne elevator will be abandoned. It will be used locally notwithstanding the construction of the Welland canal.

Item agreed to.

Trent—towards new bridge across Atherly narrows, $40,000.

Mr. GRAHAM: For some years this matter has been the subject of discussion between the counties concerned, the provincial authorities and the federal government, but an arrangement has been arrived at under which each pays one-third of the cost of construction.

Mr. MEIGHEN: Is it the usual plan with respect to bridges across the canal?

Mr. GRAHAM: The federal government is responsible, I suppose, for the construction of bridges across the canal property, but certain other considerations arose in this connection. The county admitted liability for some of it; the province did likewise and the federal authorities joined with them in contributing a third. It will cost $120,000.

Mr. MEIGHEN: A very expensive bridge.

Mr. CHAPLIN: Will the bridge across the canal which will connect up the Toronto-Hamilton highway be proceeded with this year? At present there is a detour over an old wooden bridge. The new bridge will have to be built anyway, and it has been asked for by the municipalities.

Mr. GRAHAM: That is the Queenston road bridge. There is $80,000 in our estimate for it.

Mr. CHAPLIN: Will the work go on this year?

Mr. GRAHAM: Yes.

Item agreed to.

Miscellaneous—Board of Railway Commissioners for Canada—maintenance and operation of, including A. D. Cartwright, secretary, at $6,000; A. G. Blair, counsel, at $6,000; and F. F. Burpee, secretary to Chief Commissioner, at $2,400 per annum from January 6, 1925, $5,000.

Mr. MEIGHEN: Why is this in this shape?

Mr. GRAHAM: That is something I do not thoroughly understand myself. It seems that the Board of Railway Commissioners recommended some time ago that the salary of Mr. Cartwright, as secretary, and of Mr. Blair, be placed at $6,000, and that was approved by order in council. It is found that the Civil Service Commission classified Mr. Blair at $4,000 and up, but I am told that that classification was not included in the larger classification that was adopted. Mr. Cartwright is in a different position; he has a classification up to $6,000. Mr. Burpee is the private secretary of the new Chief Commissioner, and he is allowed only $1,800. Of course no man can get a secretary for that amount, and I doubt whether he will keep him long even at $2,400, if he is a good man —and he is, because the chief commissioner brought him with him. We are told that this is the only way the salaries could be so arranged.

Mr. MEIGHEN: It is really to revise the work of the Civil Service Commission and pay these men $5,000 more among them?

Mr. GRAHAM: There is a good deal in that. There seems to have been some misunderstanding as to the status of the staff of the Board of Railway Commissioners so far as the Civil Service Commission is concerned. Only a few days ago an order in council was presented for consideration to put the Board of Railway Commissioners under the Civil Service Commission. It is all intricate to me.

Mr. MEIGHEN: There is no doubt that the staff of the railway commission is under the Civil Service Act. I do not know anything about what salary these men are getting. I cannot say whether it is too much or too little, nor would I be able to say did I know what the amounts were. But I fail to see any reason why they should be treated exceptionally in the estimates.

Mr. GRAHAM: Apparently there has been some misunderstanding. The position of secretary is mentioned specifically in the Railway Act, the same as the commissioners, and Mr. Cartwright has always contended that he does not come under the Civil Service Commission any more than the commissioners themselves. I thought this was the easiest way to adjust the matter. If the staff is not directly under the Civil Service Commission I think it ought to be put under.

Mr. MILLAR: May I bring to the attention of the minister and of the commission a complaint in regard to rates?

The CHAIRMAN: That cannot be discussed under this item. I understand the minister says there is another vote, for the Canadian National, under which that could be discussed.

Item agreed to.

DEPARTMENT OF NATIONAL DEFENCE

Civil government—National Defence—salaries, $675,798; contingencies, $50,000.

Hon. E. M. MACDONALD (Minister of National Defence): When these estimates were previously before the committee all the details of this item were given and fully discussed for three hours. I see no reason why we should not pass it and proceed to the administration items.

Mr. GARLAND (Bow River): I have no objection if it is conceded by the minister that we have the right to discuss general policy under the other items.

Mr. MACDONALD Pictou): That is the usual course.

Item agreed to.

National Defence—Administration, $301,000.

Mr. GARLAND (Bow River): I was interested some time ago in reading some of the writings of Viscount Grey. All hon. members in this House, especially those to my right, will hold that gentleman in very high esteem. He certainly has never been characterized as in any degree revolutionary or radical. In his biography, which he has written in the form of memoirs, I find the following passages occur, and I wish to direct them to the attention of the Minister of National Defence and to this House, as much for the thought they express, as for the fact that they coincide very closely indeed with the views I hold on this whole question of armaments—armaments alleged to be prepared for the purpose of defence. Viscount Grey has written this:

During the eleven years that I was Secretary of State for Foreign Affairs, every country had been piling up armaments and perfecting preparations for war. The object in each case had been security. The effect had been precisely the contrary to what was intended and desired.

Further on, having surveyed the general result of a policy of arming, that result being the stimulation of that sense of fear in the minds of nationals facing each other across a fortified boundary line, he says:

> Such was the general condition of Europe as a result of this sense of fear. Preparations for war had produced fear, and fear predisposes to violence and catastrophe.

He then says:

> The truer this comment is, the more force does it give to the conclusion that follows from it. If the allies, victors in the last war, pursue the same policy —viz; of arming—that Germany pursued after 1870 precisely the same untoward consequences will follow.

Those words certainly ought to strike those of us at least who are opposed to arming as a means of defence or as a means of security. In his conclusion, which is also contained in this article, Viscount Grey says:

> Yet it should be possible for them, after the last war to find at least one common ground on which they (the nations of the world) could come together in confident understanding; an agreement that in disputes between them war must be ruled out as a means of settlement; that between nations as between individuals the risk involved in settlement by law or arbitration is preferable to the disaster of force.

Again:

> The future, the life of civilization, will depend upon whether a wiser and more instructive spirit prevails now than did before the last great war.

Now, Mr. Chairman, let us for a moment examine just what war is. Sherwood Eddy, a gentleman who prior to the entering of the United States into the conflict was an avowed militarist, wrote a book called "The Right to Fight," a most flaming criticism of the American attitude at that time, and in that book he did his best to drive all the best thought of America into an inflamed condition conducive to war. Now war itself taught him, as it taught those who went overseas, and as it ought to have taught those of us who were left, he was wrong. He has since that time become an avowed pacifist, and recently wrote a very splendid book, expressing views the contrary of those which he had written before. He avows his own mistakes and he defines war as "an attempt to settle international disputes by armed military forces through organized destruction of life and property, in which each side seeks to impose its will upon the other by force. The end may be noble, motives exalted, but the end does not justify them. There are better ways."

I hold that view, Mr. Chairman. There are better ways. The Prime Minister recently gave voice to an utterance which appealed to me. I would hope that he would have brought to bear on a discussion so important as this one, the great mind which was behind the thoughts which he at that time expressed. In the article to which I refer the Prime Minister said that these questions should be settled by reason, and he believed that we could settle international troubles by the use of reason, I believe so myself, but unfortunately we have never seriously attempted to apply reason to our international disputes.

On the other hand, you have the results of war itself. This gentleman, Mr. Sherwood Eddy, declares that the total cost of the last war, direct and indirect, in money value amounted to $337,000,000,000. He brings it nearer to our understanding by saying that the cost of the war would not yet be paid for if we had begun to pay on instalments of $20,000 per hour from the birth of Christ down to the present day. Twenty thousand dollars per hour! The war destroyed $9,000,000 worth an hour, or $215,000,000 worth a day. Yet, since the conflict is passed, we find all nations in the world employing chemists, employing scientists, employing the brains of human kind to develop more and fiercer implements of destruction.

Mr. Edison was recently asked if he believed the population of London could be killed by gas in twelve hours. He answered: "The thing could be done in three hours."

So impressed was Sir Eric Trithowen, of the British Air Force, by the tremendous power that could be exercised by air force in the event of another conflict, that he stated recently he would, if he had the power, abolish the air as a means of attack. War is mass organized destruction of material wealth and property, and has left us a world with a millstone of debt about its neck, and with nothing accomplished of good for the human race.

I was interested some little time ago to ascertain just what benefits had accrued to civilization as a result of the last war, and in my studies I found some utterances of Mr. Clynes. In answer to Lord Birkenhead, at a meeting on the Geneva protocol, Mr. Clyne said this:

> Look at a few of the great possessions that have come our way as the result of the sword. We have the greatest debt the world has ever known, and it is certain to last for generation after generation. The war has left us with thousands on thousands of acres of the most melancholy cemeteries the world has ever known, which have taken from us and from many other countries the flower of youth and manhood. That is what we have got from the war, debt and death, and the shaking of our moral standards in this and other countries. There is no cause to look to war for securing great possessions. War eats up and shatters possession. We, the greatest of the victors, have suffered loss of men, of money, of general status, and our peace of mind. The whole case against war is that it neither gets you anything nor settles anything.

If ever that statement was true, it is true of the last war. This last war, as a result of one of the most iniquitous treaties into which any nationals ever entered, has left mankind to-day fluttering on the brink of ever-present conflict. There is no security for any nation. Every nation in Europe from Russia in the extreme east to the British shore, is trembling in the balance almost hourly, and fearing the conflict that may come at any moment. We may ask ourselves again, what has been the actual material cost to Canada of this conflict? In order to find out accurate figures in this matter, I took it up with the Bureau of Statistics some time ago, and I found it was very difficult indeed to estimate the actual cost to Canada, but the very splendid statistician which the Dominion fortunately has prepared some time ago an excellent article which was published in Maclean's Magazine of November 15, 1922. I would like this parliament the trustees of the people of this country, the very people sitting around you, Mr. Chairman, and around me in this House, upon whom the future destiny of Canada rests, in whose hands and brains lies the power to find the solution of this problem, to consider, in the cold light of facts to-day, what these things mean and what was has meant to us. This article reads:

(1) Sums directly paid out by departments of the Dominion government for war purposes and demobilization.

From the commencement of the war to March 31, 1922, these sums aggregated $1,688,948,035 as shown by the attached statement.

(2) Sums actually paid out of the Dominion treasury as interest on war debt since the commencement of the war.

The interest paid on the interest-bearing debt of the Dominion, in the fiscal year ended March 31, 1914, $12,893,504.95. Supposing for the sake of round numbers and because some additions might have been made to the debt had peace continued to prevail, and average interest charge of $15,000,000 per annum for the last eight fiscal years, the total peace time interest paid would have been $120,000. It actually was as follows:

Fiscal year ending:	
March 31, 1915..	$15,736,742 94
March 31, 1916..	21,421,548 86
March 31, 1917..	35,802,566 68
March 31, 1918..	47,845,584 51
March 31, 1919..	77,431,432 10
March 31, 1920..	107,527,088 85
March 31, 1921..	139,551,520 35
March 31, 1922..	135,247,849 33
Interest actually paid..	$580,564,369 62

That was the actual interest paid on the war debt itself. In addition to that, we have to take into consideration other expenditures. Take for instance pensions; the pension expenditures actually total up to the end of 1922 $129,860,000. The expenditure on Soldiers' Civil Re-establishment, to the end of 1922, amounted to the sum of $98,224,000. The expenditure on Soldiers' land settlement amounted to $15,000,000.

The direct monetary cost of the war to the Canadian government up to March 31, 1922, may therefore be summed up as follows:

War and demobilization expenditure..	$1,688,948,035
Interest actually paid on war debt.. ..	460,564,369
Expenditures on war pensions..	126,860,611
Expenditure on Soldiers' Civil Re-establishment..	98,224,544
Net cost of Soldiers' land settlement..	15,000,000
Total..	$2,389,597,559

In addition to that we must take into consideration the fact that during that period we lost population of this country, not only due to the going overseas of our soldiers and their deaths there, but due to the tremendous falling off in the influx of immigrants who would probably have come in had it not been for the war.

That summarizes the situation so far as Canada is concerned. I have not attempted to go into the losses that have occurred. I have simply tried to give the direct material losses to the country, but I think the House will accept an estimate by Dr. Edward B. Rosa, of the United States Bureau of Standards for the year 1920. He tabulates the figures as follows:

		Per cent
Past wars..	$3,855,482,586	68
Future wars..	1,424,138,677	25
Civil departments..	181,087,225	3
Public works..	168,203,557	3
Education and science.. ..	57,093,661	1
Total..	$5,686,005,706	100

This country is to-day spending by far the greater portion of the taxes collected from the people in paying the cost of the war and taking care of after-war conditions and obligations. If I had had an opportunity of discussing the resolution which stood in my name on the order paper in regard to the conscription of wealth in the event of war, I would have had an opportunity of placing before this House some of the ideas which I hold regarding the prevention of war itself. There is no doubt in my mind that unless nations will devote their whole intelligence to the effort to analyse to the very bottom the economic causes of war, there will be no peace. If on the other hand this country will only take the step that I suggest and confer with other countries with a willingness and a gladness and a hope for peace, which I feel every hon. member of this House possesses, and will extend to other nations an invitation once again to consider the possibility of doing away with the economic barriers which are undoubtedly amongst the

greatest causes of war, something might be accomplished.

In addition to that I would suggest that the Minister of National Defence would be doing a far greater service to this country if, instead of increasing the estimates for military expenditure, he would urge upon his administration that legislation be brought in providing for the conscription of wealth in the event of war. In view of the result of the last war, why should this country enter another war without having provided first that every soldier shall receive pay which is not less than is paid to the civilians, that no civilian shall receive more than he should justly receive for his services, that no profits shall come to any man during the war period because of national need?

Mr. POWER: Why should my hon. friend not apply those principles in peace-time. Why would he wait for a war in order to bring his principles into operation?

Mr. GARLAND (Bow River): Unfortunately when a war comes along neither the Minister of Labour nor my hon. friend have any difficulty in finding ways to get round the British North America Act.

Mr. POWER: That is not an answer.

Mr. GARLAND (Bow River): That is my answer. In time of peace, the aim, whether it be to secure old age pension or any other revenue, such as looking after the Cape Breton miners—

Mr. POWER: I am not asking about that. Why do you not advocate the application of those principles in peace-time?

Mr. GARLAND (Bow River): I will be glad to discuss that with my hon. friend when we discuss the question of capital levy.

Mr. POWER: If it is good in war time, why should it not be good in peace time?

Mr. GARLAND (Bow River): Let me answer the question in this way. If the people who hold in their hands in this parliament the destiny of Canada continue to countenance and to hold up an economic system which is everlastingly beating down one great class and elevating a small minority into a place of power and wealth, then what the hon. member for Quebec South suggests will no doubt come to pass as a result of popular indignation.

Mr. VIEN: That very system elevated my hon. friend to the position which he occupies to-day.

Mr. GARLAND (Bow River): Remarks of that kind are after all quite excusable from the hon. member.

Mr. VIEN: They are too true.

Mr. GARLAND (Bow River): They are certainly permissible from the hon. gentleman.

Mr. SPEAKMAN: He is certainly here as a result of the system.

Mr. VIEN: It is a very serious result, we shall admit.

Mr. GARLAND (Bow River): That is my answer to the hon. member for Quebec South.

Mr. POWER: It is not too bad, but it is not a straight answer.

Mr. GARLAND (Bow River): In time of war there should be demanded conscription of not only wealth, but every industry needed by the nation in such a period, and no industry should be allowed to grab off the huge profits in the way they were permitted to grab them off during the last war. Further, if this country would be willing to do it, I would gladly see it enter into an agreement or understanding with other nations to prevent the manufacture of arms by private individuals and the export of arms without the knowledge of the state. To-day, as a result of conflict, we have the people, not only of this country, but of all other countries engaged in the war and of many which were not, placing upon the backs of children yet unborn a debt which it will take them their lives to pay. Not only are those who are sitting here guilty of our participation in the past war and guilty for the manner in which we participated in it, but they are guilty of placing upon the backs of still-to-be born children a debt which we ourselves are unable to meet. I ask that that condition of affairs be not continued, and instead of increasing the estimate for defence, the minister might look to reason rather than to force for the solution of these difficulties and, at least, reduce these estimates to the point at which they stood in the year 1913.

Mr. POWER: I want simply to make some general remarks, and they apply more particularly to the question of administration A number of questions have been placed upon the order paper with reference to a diminution of pay of members of the permanent force. I placed one on the order paper some time in April. I have not had an answer as yet; but I understand from outside sources that the pay and allowances of members of the perm-

anent force, with the exception always of members of the staff, have been reduced in the past year or two by twenty per cent. I wish to make my energetic protest against any discrimination in favour of the staff. If there is one portion of the militia estimates which should be diminished more than another, it is that which provides for payment of the staff and the fourteen, fifteen or sixteen generals whom we have in the Canadian army. If there is one portion of the militia estimates which should remain as it is, it is that which provides for payment of the underpaid non-commissioned officers, officers and junior officers of the permanent force. That the services of these men are useful to the country is being shown to-day when we have them down in the strike area. We must have some kind of a permanent force, and if we would have them, we must pay them some sort of salaries in order to get the best men to enter that force. At the present moment, our permanent force is top heavy. We are paying the higher officials far too much, and the junior officers, non-commissioned officers and men far too little. I am told that within the past two or three years there has been a substantial decrease in the salaries of those not on the staff and, in many cases, an increase in the salaries of those on the staff. For that reason I make my protest.

I have not in any way changed my views with reference to the annual training. Some years ago I stated in this House that the annual training, particularly of the country regiments, was expensive, useless and a burden on the country, and that it should be cut out altogether. With regard to expenses involved and undertaken by a certain number of militia officers for what some of my hon. friends have been pleased to call patriotic motives, may I say that while in a number of cases, perhaps, the motives of our colonels and honorary colonels are patriotic, in a large number of cases, in my humble judgment, the motives are derived purely from those of vanity and of wishing to place the title of colonel after their names and the red tab on their shoulders?

Mr. GARLAND (Bow River): Is the title "colonel" not placed before the name?

Mr. POWER: It might be, but in all probability other decorations will come after the name if they are colonels long enough. I heard one hon. gentleman, I forget who he was, state in this House that in certain regiments they had had a deficit of $6,000 or $7,000. If a number of well-to-do people in this country wish to play at being soldiers, wish in order to help recruiting to take their men on trips to United States points or different parts of this country, wish to clothe them in kilts when many of them never had the remotest right to being called Scotchmen, —if that right is anything to boast about,— wish to have them dressed in fine raiment and fancy feathers, let them pay for that. When an ordinary individual wishes to indulge in his favourite recreation, such as fishing or golf, he pays for it. Why should the militia colonels not pay for that in the same way?

With regard to some remarks made by the hon. member for Centre Winnipeg (Mr. Woodsworth), I am usually in substantial agreement with him on questions relating to war and the horrors of war, and I do not yield to him in any respect in my detestation of everything that will go to encourage war or hate between nations. But when he reads long articles in which it is advocated that we publish the names of those of our soldiers who were shot during the war on account of military misdemeanours or crimes, I beg to differ with him. May I say first that this matter should never have been brought at this time to the attention of the public in any case, and though it may be distinctly contrary to order, I think it was none of the business of the British ministry to make public the information which they made public that twenty-five Canadian soldiers had been shot during the war and their invidious comparison when they stated that no Australian soldiers had been shot. As a matter of fact, no Australians were shot because the Australian government had expressly laid it down that none of their soldiers would be shot, no matter what crime they committed. Perhaps it would have been the duty of our government to make similar restrictions at that time; but the time is past and it is not for us now to decide on their conduct in that matter. But here were twenty-five men who left their wives and families or their relatives in this country. Are we at this stage, some ten years afterwards, to blazon in all the newspapers of Canada the crimes that they committed? Have not their families suffered enough without our now proceeding to bring tears to the eyes of these men's mothers, and disgrace upon their families, by putting it in the power of their neighbours to say that they were shot for cowardice? Much as I admire the stand taken by my hon. friend from Centre Winnipeg (Mr. Woodsworth), I must say that what he is asking is simply that we bring a far greater calamity and far greater misery on the people of this country than they have already suffered.

Mr. WOODSWORTH: I never made any request that the names be published.

Mr. POWER: I have not read Hansard since that time; in fact I never read Hansard. But I distinctly recollect that in the article read by my hon. friend, which he seemed to endorse very heartily, the suggestion was made that these names should be published throughout the country.

Mr. WOODSWORTH: I made no such request.

Mr. POWER: The article endorsed by the hon. member made the request.

Mr. WOODSWORTH: The article I read discussed the general question of the shooting of Canadian men but I do not recall that even the article itself requested that the names should be published. Certainly I made no such suggestion.

Mr. GOOD: Mr. Chairman,—

Mr. MACDONALD (Pictou): If the hon. member will let this item pass he can speak on the next item.

Item agreed to

Cadet services, $400,000.

Miss MACPHAIL: I want to outline the history of the cadet movement which was introduced in Canada by statute only as late as 1904. It was first thought of and talked of and formed by Sir Frederick Borden with the idea of building up a citizen soldiery. It authorizes the following things. First boys over twelve years of age who attend school may be formed into cadet corps; boys over fourteen and under eighteen may be formed into senior cadet corps; senior cadet corps or any portion thereof may be attached to any portion of the active militia for the purposes of drill and training. The principals of the schools may be instructors of cadets or the instructor may be any person having adequate qualifications. The qualifications of the instructor are gained free of charge, the expenses being paid by the state. The instructor in the school receives $2 per head for each cadet up to fifty and $1 per head for each cadet over that number.

I am opposed to cadet training in schools. I am opposed to it first because I believe that cadet training is not a good physical training. Experts in physical training bear me out in this, and I would quote briefly from Dudley A. Sargent of Harvard, physical instructor and medical doctor. He says:

> Taking the most favourable view possible of military drill as a physical exercise, we are led to conclude that its strained positions and closely localised movements do not afford the essential requisites for developing the muscles and improving respiration and circulation, thereby improving the general health and condition of the system.

Let me now read from an extract taken from the Boston Medical and Surgical Journal.

> This defect, we are pleased to state, is recognized by the great military nations of Europe, and measures are taken to give all the recruits from three to twelve months' gymnastic training to develop them as men, before they are expected to conform to the requirements of the soldier.

Sir EUGENE FISET: Is not that exactly what is being done in our schools? All the training we give in the schools here is not confined to physical drill alone but it embraces as well gymnastic exercises.

Miss MACPHAIL: I want to separate distinctly in the minds of the people physical exercise and military training. I believe in very much more physical education than we have to-day; it should be greatly increased. Indeed, the government would have to go a long way before they would hear me complain about the amount of money spent on physical education. I shall touch upon that point later. But military drill should not be confused in the public mind with physical training because the two are quite distinct things. Dr. Sargent goes on to say that if the people would account for the graceful poise of the cadets at West Point—he is referring to them particularly—they should visit that place in the summer and see the boys under the charge of a dancing master for one or two hours. There they have all forms of physical training and it is a splendid thing. It is not the military drill at all but the physical education which they get that is responsible for the erect carriage and the fine look of many of the cadets who spend four years in the military school. I quote once more from the director of physical training at the normal school at Pennsylvania:

> That the military training as we know it now does not give the best physical training is evidenced by the fact that for years our military school at West Point and naval school at Annapolis have employed instructors of physical training to overcome the disastrous results of the one-sided practice of the manual of arms and other military drills.

Another reason against military training in schools is put so concisely by Dr. Sargent that I had better quote his words:

> (5) Military drill in schools cannot teach boys the real art of war since they are too young to handle the real weapons and undergo the vigors of adequate instruction. Hence it is apt to foster a bombastic military spirit of tin-soldierism and a false sense of patriotism which does not appreciate the seriousness of war nor the glories of the struggles of peace.

Previous to the war a number of Toronto gentlemen, many of them reverend gentlemen,

as well as the inspector of schools there, prepared a pamphlet in favour of military training and it gives many reasons. It concludes with this strange reason:

> That our system of government is democratic quadruples the force of arguments in favour of military dril. in schools; for the system tends to a disregard for authority, a due respect for which is restored by a reasonable system of universal military training.

That to me is an excellent reason why we should not have military training in schools. Are we afraid of democracy? One would think so when reading such reasons as this in support of military training in order to keep democracy in check. I want to quote again from a work on militarism written by an Englishman. This was at a time just following the war when there was a great wave of military enthusiasm, and when in England they tried to force compulsory military training at school, or cadet training. There was a great controversy on the subject, some taking one side and some the other.

> Lord Methuen, writing to The Times advocating compulsory military training, complacently remarked, "We worked on Lord Kitchener's admirable Australia scheme in forming the citizen army in South Africa. Little did we anticipate that within three years this force would have scotched a strike and quelled a rebellion.

Once more it would look to me as if cadet training is the real enemy of a democratic form of government. I challenge the right of the state to interfere in the education of the child. If we bring a child up to cherish a given ideal, and that ideal always remains the basis of its thought and action, and if by means of schools we repeat that process through all the people who form this or any other nation, we can quite plainly see that that ideal will determine the history of the nation for years. We might well ask ourselves in this young country: Is the child to be the central idea of education, or is the state? If education is for the benefit of the child, then we must think first of what is good for the child; if education is for the benefit of the state, then we must think of the state first, regardless of what it may do to the child. I want to quote Bernard Russell on this point. He too challenges the right of the state to influence or affect education. He says:

> Education is a political weapon and could not exist if we respected the rights of children. If we respected the rights of children, we should educate them so as to give them the knowledge and the mental habits required for forming independent opinions; but education as a political institution endeavours to form habits and to circumscribe knowledge in such a way as to make one set of opinions inevitable.

That is what military training in schools does, and I want to point out to hon. members that while we are not supposed to have compulsory military training in our secondary schools, that in reality and practice is what we have, and so the child's ideals and habits of thought along very many lines are circumscribed and are not what they might have been if the child were left to grow up unhampered by state interference.

Mr. CAMPBELL: Will my hon. friend explain what she means by saying that we have compulsory military training in the practical working out of our school system?

Miss MACPHAIL: A boy who refuses to take military training is boycotted, he is discriminated against in sports by the teachers as well as by the pupils. I found that to be true in London, Ontario, and in many other places. I object to military training in schools as an educational feature—and it is supposed to be educational. We hear it said that military training in school makes for discipline. But we must not confuse external discipline with self-control. Self-control must be discipline of ourselves by ourselves; but discipline inflicted from without is not that same thing at all, and the tendency is rather for the children to go to greater extremes of indulgence, almost license, when the pressure of outside force is taken away.

I object to compulsory military training in schools because it confuses the regimental with the co-operative spirit. Boys are put in groups, it is quite true, but not in groups of their own choosing, not groups that gather around them spirits congenial to their own and that make for better mental and spiritual development of the boy, but enforced groups which usually have no social meaning. The president of the New York Evening Post says in regard to cadet training in schools:

> On moral grounds I believe the argument against it is unanswerable. It falsifies values, lays emphasis on brute force, and makes directly against the ethical training which is supposed to be the teacher's first duty.

I oppose cadet training as a form of physical training in schools—and that is what it is thought to mean—because by it girls are excluded from any sort of physical training. It is in reality more important to the future of the race that we should have women with good physique and healthy bodies than that we should have men with strong bodies. I believe that we should have a national system of physical education. If, whatever government is in power in the next parliament, should be willing to bring in a large vote under the Department of Health to set up a system of physical education, patterned possibly after the Swedish plan, I would wholeheartedly support it. After all, public opinion

makes governments do that which they languidly do, and I am confident that it would support such a move. I believe the people want physical training for children and youth, they want both boys and girls to have something that will give an outlet for their spirit of adventure. I think that this physical training could have all the lure of colour, of music, of form, that is now woven about military training in our schools. I believe that such a system would result in very much improving the health of our school children, and would leave Canada in a perfectly safe position, because if our future citizens have strong, well-developed bodies and unprejudiced and open minds, then Canada need not fear the future.

I have read quite a good deal on this subject, and I find that those who have made a life study of it claim that military training does not at all compete with sports in the developing of children, such traits as initiative, resourcefulness, co-operation, group loyalty. Games give very much greater chance for the developing of these desirable traits.

Possibly, though, the thing that we should most oppose this vote for is that by having military training in our schools the mind of the child is blinded, it is not led to think of any other means of settling international disputes other than this one method of war —this one method that has been absolutely discredited by all people who know most about it. Under this system the younger generation have no chance of having free ideals and shaping social evolution by their means, but instead they are shaped to the existing forms, to the idea of nationality which it pleases their rulers they should possess. I do not believe that was ever more true than it is to-day, although by this discussion and others that we have previously had in this House we have shown that there is an awakening in Canada, that there is another school of thought growing up in regard to military training. But it is too true that instead of letting the child think its way out, we superimpose upon it our false values, we put upon it what we, if we are honest with ourselves, have found to be unsound and unsafe, and we teach the child that that is the thing that will lead it to happiness in an international way.

Military training relies on force. It does not call out the highest or the best in humanity. It is pagan. I want to quote from a book entitled "West Point," by a man who just loves military training, so in whatever he says he will be perfectly fair about it. He is enthusiastic about military training, and in referring to the wonderful chapel they have at West Point—he calls it an architect's dream—he says this:

> The jewel of the interior is a great chancel window with its noble inscription:
> "Erected to the glory of the God of Battles and in faithful memory of the departed graduates of the United States Military Academy, West Point, by the living alumni".

Then he goes on to tell more about the beauty of it. He says:

> There are twenty-seven panels each of which contains an almost life-size figure representing one of the chief militant figures of the Bible.

That is, they go back to pagan times to bring out ideals for the youth of to-day to worship.

Mr. GOOD: Pagan ideals.

Miss MACPHAIL: Yes, pagan ideals, and all the while we think of ourselves as Christian people, a people who have left pagan methods behind. It is true that in most things we have, but in this one tremendous thing, this matter of adjusting international disputes, we are altogether pagan.

Mr. DENIS (Joliette): Who was the author my hon. friend just quoted?

Miss MACPHAIL: Richardson. It is so easy to descend to brute force. In fact, sometimes I feel I have to work very hard to restrain myself from employing brute force, but still, one is always repaid for restraining. It is a much more difficult but a much greater thing to call upon the resources of mind and spirit than it is to bash one another's noses when we do not agree with each other's opinions, and that is what we have not learned to do internationally. Instead of bringing the best of our mind and the best of our spirit, the resources of ourselves, to bear on international questions, we simply descend to brute force. I do not care so much about the old men doing that; really I am not much concerned about it at all. But I am tremendously concerned that the old men before they pass on do not leave firmly imprinted on the mind of youth the impression that this is the highest and best way of settling things. There was a time when disputes between individuals were settled in that way—that is, when a man's honour was reflected upon—they had a duel, and whichever one was best won out and the other passed on. But now we do not have that, and people, I think, are quite as honourable as they used to be.

Mr. McMASTER: And quite as polite.

Miss MACPHAIL: Yes, and quite as polite. Now, I notice that in Canada, if we find that other countries are doing a thing,

timid little creatures that we are, we feel it is quite safe to step out in that path where others are ahead of us. France, after her crushing defeat of 1871, began to train her school boys in the practice of arms, but in 1890, after fifteen years' experience, she abandoned the cadet system, not because the problem of defence was less urgent, but because military training was lessening the physical development of her secondary school boys. Australia tried the military system of training, and after a study of the many systems of Europe, gave it up and substituted for it a system of games and organized athletic sports as the best physical training for school children. I was reading something of what in Scotland they wanted their teachers to do under physical education. This manual pointed out that in order to obtain the best results from a lesson in physical training, the training should be made as enjoyable and as interesting as possible to the children; that all stiff, restraining and unnatural positions should be avoided. And anyone who has watched military training knows that it abounds with stiff, restrained movements.

Mr. VIEN: Would my hon. friend cite her authority on the point that France has abandoned the cadet training?

Miss MACPHAIL: Yes; my authority is "Militarism and Education," by John Langdon-Davies. The Minister of Education in the state of Victoria, Australia, has gone much further than that; he has just issued an order that no articles or songs extolling wars, battles, or heroes of past wars are to be printed in the school books or papers. I quote now from the Canadian Railway Employees Magazine.

The Labor Minister of Education in Queensland has issued a similar order for the schools in his state. What he says about war and war propaganda makes interesting reading:

"I am going to exclude from the schoolbooks anything likely to inflame the minds of youth with ambition for war. I intend to explain to the children the causes of the war and the capitalist influences that bring it about. That, to my mind, will tend toward wiping out war. Too much hypocrisy and jingoism is displayed at present, and not enough sincerity by those called upon to give advice with regard to Australia's welfare."

Military training in schools, both public and secondary schools, is not left standing alone. If it were simply military training, just plain drill, I do not think it would last long, because I doubt very much if the boys are interested in the drill itself. I do not want to weary the House by quoting from this authority, "A Public School in War Time", by S. P. B. Mains, who is head master of one of the great public schools in England. He was an enthusiast in the matter of military training in schools, and he points out that during the war the boys took an interest in the military drill in schools. It goes on to say that before the war everybody hated the drill, both the boys and the masters, and that when they would come in from the field after the drill they were all irritable; they all had a grouch at something, because military drill did not satisfy any desire either mental or physical. And he is so glad that that has passed away and that they are all now—this was in war time—enjoying the military drill. That, of course, will not be true of this day, eight years after the war.

I had started to say that military training is not left to stand alone; it is surrounded by music and colour and pomp, offers of adventure and class distinction. Possibly that last is one of the great lures, the class distinction offered by military training in schools, and the uniform and the music and the applause of watching crowds—all that appeals to children. When we go to school concerts at Christmas time, or to exercises at the commencement of the term, or to any place where children are performing, we know that they glory in interesting their elders, their relatives and friends. Until recently—it is almost true yet—the state, the school and the church condoned cadet training in schools—that is, they approved of it. Before these very buildings we have seen, when cadets were parading the silk hat of the politician, the robe of the divine, and the sober garb of the schoolmaster. I noticed that the schoolmasters trailed rather dismally a long piece behind the state and the church, but they got there just the same. So it is not surprising that the boys who are parading think it is a very fine thing when they can get the leaders of this country to come out and approve of and smile at what they are doing. And yet, pleasant as it looks on the beautiful green sward before these buildings—and despite the charm of colour, music, pomp, and class distinction—we must never forget that the spirit of the thing is the grinning demon of war. Amid all the beauty and all the music and all the colour, that is the dominant thing.

I notice too that the daily press, or most of the daily press, does its part to make as appealing as possible the gentleman cadet. I am quoting from the Toronto Globe, or the Toronto Mail and Empire, I think it is the Globe; there is not much difference. In speaking of the visit of the cadets from the Military College of Kingston to Toronto just a little time ago, it told how many thousands of children viewed one of their performances, and said:

For thousands of boys a new hero was born on Saturday afternoon, and the name of him was the Gentleman Cadet.

That is quite true. That is the disastrous thing. We hold up a natty looking boy, full of life and adventure and beauty, a splendid fellow, who knows nothing about war, who does not know what causes it, does not know what it is, does not know what the result of it is, and we who do know sit here and let the children who see that nattily dressed cadet think that there is ideal manhood. To them he is emblematic of war. As one of the reviewing officers said, they are sound to the core. It is true. The boys are all right, but the thing they are doing is false to the core. It has no soundness, and what is more, if they were left alone, they would not do it at all. Boys do not do that silly sort of thing. It is the old fellows who put that into their heads.

Empire Day! To my mind Empire Day has been degraded. I am ashamed of it. It is nothing but a flaunting of war in the face of people who would like to see the world live in peace. Why do they not show on Empire Day the things the empire is trying to do for civilzation, and the things that other nations have done for civilization? Empire Day is made the occasion for nothing but a strutty, silly, pompous, bombastic performances by military men and those who are backing them. Do you know—possibly the government does not know—that the common people of Canada laugh heartily, though they know it is a dreadful thing, a tragedy, but they are moved to mirth by the speeches and performances they hear and see on such a day as Empire Day.

There are, though, through the darkness some gleams of light. One that I am very pleased to quote was seen at the first great assembly of the United Church of Canada. On the motion of Judge S. A. Chesley the following resolution was referred to the conference and was later adopted:

That as the training of young men for war is contrary to the spirit of Christ, it is resolved that we discontinue the officers' training corps in the schools of the United Church, and urge the government to abolish cadet training in the schools of the Dominion.

I think there is an ever-increasing body of people in Canada who are coming to the same conclusion, that military training in schools is bad for the boys. It is bad every way you think of it, mentally and phvsically. It is not an educational force, and should be entirely divorced from education. Among the bodies in Canada that have been protesting and are protesting against it is the Parent-Teacher Federation of British Columbia—a most interesting thing. The Parent-Teacher Federation of British Columbia this year, helped, too by the Educational department of British Columbia—I almost think there must be some radicals living in British Columbia—put in a goodwill day, on the 18th of May, which was observed in nearly all the schools in British Columbia. It held up the ideal of trying to live at peace with the other nations of the world, rather than arming ourselves to some time attack them, or to protect ourselves against them.

The city of London last year held an interesting mass meeting at which all the bodies of that city were represented, a sort of community gathering of the city of London, and they protested against the whole business ot war and against this cadet training.

The United Farmers of Canada, through the Canadian Council of Agriculture, presented to the government, and I need not read it to them, a resolution asking that we cease this vote for cadet training in schools, that we cease cadet training in schools altogether, and substitute for it physical training that will have no connection with the military authorities at all.

The Trades and Labour Congress and the Trades Councils have for a great many years past been opposed to war, and particularly to this form of putting into our children's minds false ideals.

One could go on and on. There is no end to the material that is at hand. In fact, there is a whole literature to-day on this new school of thought that is coming up as against the old one of militarism, the new school of thought that is determined that the resources of the mind and the spirit will be given a chance to settle international discords. One might say from reading and talking to young people, after hearing the many things that are being said by young people, that a new spirit is emerging, and that that spirit is the spirit of youth. That youth is asking of its elders that they be allowed to find a way out, that they be allowed to think their way out unhampered by their elder's preconceived, and I might add, exploded ideas. If we had to go to the pacifists for proof that the last war amounted to very little now that it is all over, I would not expect hon. gentlemen in this chamber to listen to it, but when you can go to the people who had the most to do with the great war, and when they say the thing was a failure, that it got us out of nothing, that what caused the war still exists and, as Lloyd George says, exists in a greater degree than ever before, the causes

being more sharply defined—when that is true, when great military people say that the war did not solve our problems, can we with safety trust that it ever will? I think not. Lloyd George said:

> If all the heroism of millions, their sacrifice and their sufferings, are to be thrown away, it will be the most colossal, criminal and infamous waste ever perpetrated in human history.

I think surely that is true.

We talk a great deal about being true to the boys who went overseas and who made the sacrifice that we thought and they thought was needed, and we say we want to do something for them, and so mistakenly we stick up silly war memorials all over this country, things that have no meaning but one, and that is they put into childish minds, into the minds of unthinking people, the ideal of war, that it is a great thing. They are memorials to war, rather than memorials to those beloved Canadian sons who paid the supreme sacrifice.

Mr. VIEN: In that my hon. friend is very much mistaken. A war memorial erected to the memory of the soldiers who died for their country is not a memorial to inspire a war spirit in our children.

Miss MACPHAIL: I know that is not the idea of the people who erect them, but that is the result. I think that is so true that we do not need to argue about it at all We will have to face it sometime, and I might as well do it now.

The causes of war are not the things we thought they were. The causes of war are very sordid things. They are things that are so sordid that they must be covered, or there can be no wars fought. I might quote you authorities on that, but it is not necessary. You can pick up almost any of the new books that came out about the end of the war, and since, and you will find that fact uncovered by those who know best. The great warriors are saying—why, Marshal Foch himself has said what the orthodox people would say is quite a dreadful thing, that when the thing gets too congested, then you have cannons to clear the space that is needed.

Mr. CANNON: This is no reflection on me, I hope.

Miss MACPHAIL: I had forgotten the presence of the hon. gentleman. And when we consider the cost, which I am not going into, since it has been given, we find that it was enormous. There were twenty-three nations engaged in that war. It cost 337 billions of dollars and 13 millions of lives, and what is the result of that? We are preparing again this year for that same thing to the extent of $14,400,000. I am going to quote just two or three authorities. Viscount Grey says:

> The real victor in the Great War was war itself.

Sir Ian Hamilton said, speaking about war:

> We must not listen too much to the men who made the war, because they are bound to crack it up.

Well, they have to. What else could they do? If they do not crack it up they let themselves down, and that to them would be the worst thing that could happen. Sir Arthur Currie says:

> By the World War, we gained a truer appreciation and a better realization of war's unspeakable waste, its dreadful hardships, its cruel slaughter and its aftermath of loneliness, sorrow and broken hearts. We now know that as a means of solving the world's problems and removing international discord, war is a delusion and a lie.

If it is a delusion and a lie, why do we not say so? Why do we not put that in the school books of this country? Why do we not burn the lies that to-day pass as history, and put out books which tell the truth? Why do we not put in the readers of our country ideals and heroes that will lead us out of the woods and not back into them again. I quote now from Arnold Bennett, the eminent English writer who says:

> Everybody knows that war is idiotic, futile, calamitous and settles nothing. And yet everybody says, "There must always be war." Why must there always be war? In past days people no doubt said, "Brides must always be won by knocking girls on the head and carrying them off senseless. Evidence must always be obtained by torture. Christians must always murder each other in the name of Christ. Little children must always work eighteen hours a day—because human nature will always be like that." Well, they were wrong. Human nature did not continue to be like that.
>
> War is contrary to common sense, and it is therefore absolutely certain that the institution of war will one day be ridiculed and shrivelled out of existence. Human nature will change in its attitude to war by casting out fear. War is not the product of courage; it is a product of fear. Hence the insane maxim that if you want peace you must prepare for war. If you prepare for bankruptcy, you will have bankruptcy; if you prepare for war you will have war; and equally if you prepare for peace you will have peace.

A brother of Sir Philip Gibbs says that the one thing that we have never called out against war is the weapon of ridicule, and he goes on to say:

> War can be laughed, ridiculed, off the face of the earth.

He proceeds to say how we read about it in history, and I was reading similar stuff in some of our Empire day books, the "glory of the trenches", the "living bayonets", the "privates who would rather fight than eat". He says further:

The ghastly humour of all that stuff appeals to us. We know. But the non-combatants do not. They take it all literally—as it was intended that they should in order to keep the game going.

It is dangerous to put such things as that, into school books and lead little children, who depend on us to tell them the truth, to believe that war is glorious when it is not. There are many things we could do to prepare for peace, and if national defence means to prepare ourselves for peace, I am willing to vote for the fourteen millions of money, but if it is to prepare ourselves against peace, fourteen million dollars is altogether too much. There are many things we could do, there are things we could begin to do and keep on doing consistently until we would through enlightenment see there was another way, and that war must not occur again if future civilization is to exist.

I move that this item be reduced by the sum of $399,999.

Mr. MACDONALD (Pictou): I am sure the House will agree with me that my hon. and gallant friend from Southeast Grey (Miss Macphail) has delivered a very eloquent address, and the House will also agree with me, as I am sure every man and woman in the country will agree with me, that the last thing this country wants is war. Who wants war after the terrible catastrophe that overtook the whole world ten or eleven years ago? But war is not to be stopped by eloquent addresses such as that made by my hon. and gallant friend. War may occur from conditions over which neither she, nor anyelse in this country, has any control whatever. I learned last year, when the opportunity came to me to visit the continent of Europe, about conditions existing there, under which war may arise at any time. It is conceded on all hands that the settlement and readjustment of the nations of Europe by the treaty of Versailles left conditions out of which difficulties may occur at any time. If that is the situation—and if war results, are we going to be able to stop it by eloquent addresses and by saying that we do not want war? We are dealing with conditions now. Let me remark that the quotations which my hon. friend made from numerous authorities on cadet and military training, and upon war generally, are familiar to us, but they are entirely beside the question which we have to consider in this country, and which the United States is considering, namely, that every nation for the purpose of keeping peace and order within its borders, has to maintain some military force. In Canada, with its boundary line, extending from the Atlantic to the Pacific, and situated alongside the United States—with which nation I hope we will always live in peace—there are only three thousand men in the permanent force. It is below the minimum strength, and we in Canada pay less per capita for military expenditure than any country in any part of the British Empire, or any nation of the world, except Paraguay in South America.

Mr. IRVINE: What does that prove?

Mr. MACDONALD (Pictou): It simply proves that we in Canada are maintaining the minimum force and making the minimum expenditure in maintaining such a force as every country must maintain.

Mr. GARLAND (Bow River): I ask the minister, had we any difficulty in maintaining peace along that three thousand mile border in 1913 when we only spent a little over $3,000,000 on armaments?

Mr. MACDONALD (Pictou): I have not the figures for that year, but let me remind my hon. friend that the cost of living has increased enormously since that time, and the expenditure to-day is less in proportion than at that time.

Mr. IRVINE: May I ask a question?

Mr. MACDONALD (Pictou): Perhaps the hon. member will let me finish my remarks, and then I will answer his question. I may say that for years previous to confederation, and for many years after, Great Britain maintained at Halifax and Esquimalt permanent military forces, infantry and engineers and artillery men to man the forts. There were infantry there and also infantry in British Columbia. There came a time when, after negotiations between the government of the day and the government of Great Britain, we undertook to take over, as part of our duty to the empire, the maintenance of a reasonable defence force in Canada and we have to carry out our obligation. Surely no one will suggest that we should not do that.

Let me come to the question of cadet training. My hon. friend (Miss Macphail) has made some studies in connection with the matter, but she has not got at the whole root of the question yet. She has assumed too many things, and she has not given to the committee, I concede quite unintentionally, the real situation in regard to cadet training in Canada. She stated that cadet training has been originated in this country by Sir Frederick Borden in 1904. It has been going on in Canada since 1879.

Miss MACPHAIL: But not under statute.

Mr. MACDONALD (Pictou): When the Militia Act was last passed, the statute provided for what has been going on, as a matter of practice and association, long before that. The beginning that occurred in Bishops College commenced in 1879 and continued year after year and expanded until Lord Strathcona in 1908 donated $500,000 to supplement the efforts of the college in encouraging physical and military training in the school. That fund is still in existence, and the interest upon it is used for the purpose of carrying out the terms of Lord Strathcona's trust. My hon. and gallant friend, speaking about military training in the schools, entirely beclouded the issue and, I think, quite unintentionally misled the committee. But the facts are these. There is physical training in the schools with certain military exercises going with it, but physical training is the basis of the whole system of cadet training and the military exercises are only an incident.

Miss MACPHAIL: But they are the incident around which all the other is woven, are they not?

Mr. MACDONALD (Pictou): I was very much interested in my hon. and gallant friend telling us what the boys of this country ought to do. I know something about boys, and I think hon. gentlemen around me who have fathered some boys know something about them. My hon. friend was born a little too late because, if she knows so much about what boys ought to do, many of us in this country have been making mistakes in our time.

Mr. GARLAND (Bow River): Hear, hear.

Mr. MACDONALD (Pictou): I do not think the hon. member from Bow River is a Daniel come to judgment to tell us how these things can be improved, nor do I think the hon. member for Southeast Grey possesses all the wisdom in the world as to how boys should be dealt with. I have digressed for a moment from making the point in stating exactly what is the fact, that under the Strathcona trust, which originated the system under which cadet training is carried on now, military training is not the point, physical training is the point with military exercises added. My hon. friend spoke about the school books of the country. We have nothing to do with them. If the statements found in the school books in regard to Empire Day do not suit my hon. friend, I would suggets that she should run for the legislature of Ontario at the next election and see that the law is changed there.

[Miss Macphail.]

Miss MACPHAIL: I know that quite well, but on Empire Day I saw the picture of the Minister of National Defence taken while reviewing cadets in Toronto. It is rather the climax to the education the children have received through the school books.

Mr. MACDONALD (Pictou): My hon. friend did not see any picture of me reviewing cadets in Toronto. She saw a picture of His Excellency Lord Byng reviewing the cadets and I happened to be there. If these school books are objectionable to my hon. friend, there is a way in which that can be remedied; but there is no use in lecturing this House on the subject because we have nothing to do with it.

Mr. WOODSWORTH: What has the department to do with the schools in the provinces at all?

Mr. MACDONALD (Pictou): If my hon. friend would possess his soul in patience, I was going to make a statement which, I think, will relieve him from all anxiety. We do not permit a cadet corps to be formed in any school in Canada anywhere unless the school itself asks to have it formed and unless the educational authorities of the particular province in which it is, ratifies the application. That is the situation. We do not take any initiative whatever in dealing with this subject. The individual school first makes the application. That is not granted by the department and we do not interfere nor do anything until the educational authority of the particular province comes along, gives his certificate to that application and asks that it be granted. Therefore, the responsibility for cadets being in the schools of this country rests upon the educational authorities of each and every province and on them alone. Let me go further and show the extent of this movement. The situation shows that the educational authorities in many provinces give the movement their whole-hearted support, and the cadets are distributed by provinces as follows, beginning at the far east:

Prince Edward Island	883
Nova Scotia	3,111
New Brunswick	2 344
Quebec	52.791
Ontario	35,273
Manitoba	5,138
Saskatchewan	4,789
Alberta	5,572
British Columbia	5,776
Total	115,677

In all these provinces, the direct consent of the educational authorities is obtained for the institution of each and every one of those bodies of cadets. Therefore, apart altogether

from every other consideration, these gentlemen to whom the power of dealing with education is committed throughout the country in each one of the provinces, take the responsibility with regard to this matter. Moreover, it is very easy to confuse the issue with talk about boys having military training. I want to reiterate that the foundation of this training is to see that physical exercise is given to these boys, and the military exercises are incidental to that in order that discipline may come to them, in order that they may have the advantage which comes from engaging in physical exercise in a military way, which, for centuries, has been regarded as one of the most effective ways in which to bring up young men so that their physique will be good and that their stature will be all right.

Mr. IRVINE: Why is it not good for girls?

Mr. MACDONALD (Pictou): The educational authorities in the provinces look after the girls in another way.

Mr. IRVINE: Do they not look after them in the same way?

Mr. MACDONALD (Pictou): We have nothing to do with that.

Mr. SHAW: Will the minister not admit that this system of cadet training is an annex to military training?

Mr. MACDONALD (Pictou): It is not.

Mr. SHAW: I heard one of the officers of the department say so.

Mr. MACDONALD (Pictou): A certain officer is detailed from each military district whose business it is to see that instruction is given to parties who become instructors locally in the particular schools. They do not form part of the force of the country in any other way than that we keep a record of their number and what is to be done with them. Further, the province of Quebec makes an annual grant of $5,000 for the purpose of carrying on cadet training in that province. As a result of that, I have no doubt we have these 52,791 cadet boys in Quebec. If I can recall some of the incidents of some years ago, nobody can say that Quebec is a militaristic province. Let us see what the situation is in the United States just now. President Coolidge, after his re-election as president, has taken a very great interest in the problems of defence in that country. Not long ago, by proclamation, he fixed a certain day for what should be known as a defence test day.

Here is the governor of New York joining with the president in the proclamation that on the Fourth of July a second national test defence day should be held not only in New York but throughout the United States. And indeed, all the governors of the United States have co-operated in the movement. Let me read the words of the proclamation:

> Further, I earnestly request that the city be decorated with the Stars and Stripes, service flags and the city's banner; that all our citizens, men and women, especially our newly naturalized ones, and all patriotic, fraternal, welfare, civic and church organizations unite on this day in demonstrating that we remember gratefully the sacrifices made by our people in the cause of national defense and that we stand ready in a new spirit of devotion to do our full duty as citizens of this Republic in any future emergency.

I congratulate my hon. friend on the tenor of most of her remarks, although I disagree with much of what she has said. But I think that her position on the whole, that the memorials that are to be found everywhere in the land erected to the boys who died overseas should not be perpetuated, is an absolutely unsound doctrine. If we are not to cherish the memorials to our departed just as our fathers have done ever since the British Empire came into being, and if we are to believe with the hon. member that our fathers, both French and English, have been all wrong, I think it is a matter for deep regret. But I do not agree with the hon. member in that.

Mr. SPENCER: Could not the men be commemorated in some other way than by putting up stone monuments?

Mr. MACDONALD (Pictou): I am surprised that my hon. friend whose tones indicate that he came from the Mother Country, should take the position he now takes in this matter. Has there been some mistake in preserving, in the valhalla of our race at Westminster, memorials to all our great men who have gone, and of whom our empire is justly proud? Is it all bunkum? Well, that is the position these hon. members take. But I do not agree with all that. The theory is all wrong, that we should not erect memorials to those who laid down their lives for us and for our country!

Mr. SPENCER: The minister is rather unfair, although no doubt unintentionally. My hon. friend (Miss Macphail) did not suggest that no memorials should be put up to the men. She did say that stone memorials were not the only form in which we could perpetuate their memory.

Mr. MACDONALD (Pictou): What the hon. member said was that these memorials, erected at great cost to the country, were a standing lesson to the youth of the land that war was something to be admired. But

if we abolished these memorials, would not any other form of monument to the soldiers inspire the same feelings?

Miss MACPHAIL: No.

Mr. SHAW: A different form of memorial would tend to put a stop to war.

Mr. MACDONALD (Pictou): My hon. friend will not stop wars for a while yet. I would advise the hon. member for Southeast Grey to take a trip over to Europe when the session closes this week and there widen her vision; let her see what is going on in the world and then come back and tell us who was right and who was wrong. Now let me read what the governor of New York said:

> Let the men of eligible age under our constitution voluntarily join, as did their forbears, their home defense units on July 4 for parade and patriotic demonstrations and to show those units as we depend upon them in their present strength so they can rely on us to strengthen them in case of need.
>
> Let there be places in all our exercises on July 4 for our school children, so that they, who will hold us responsible for the way we have led them, may imbibe from their elders moral strength to meet their duties and obligations as future citizens.

That is the message which appeared a day or two ago in the newspapers from the governor of New York, and endorsed by the President of the United States.

Mr. WOODSWORTH: Will the minister allow me—

Mr. MACDONALD (Pictou): Let my hon. friend possess his soul in patience. He does not like to hear what the great nation to the south is doing now. But that is what they are doing, and we are dealing with facts and not theories. Now that I have submitted the exact situation in regard to the question of cadet training I do not see any reason why hon. members should object to the passage of this vote. The statement has been made that France has abolished cadet training, but that bare statement conveys a wrong impression. What occurred was this. France, realizing how imminent the German menace was becoming, appreciated the importance of increasing her permanent force and as she had to strengthen it to 800,000 men she found that she could not bear the extra expense entailed in cadet training. For that reason she suspended cadet training for the time being.

Miss MACPHAIL: Does the minister mean to say that cadet training is a cheap way of getting soldiers?

Mr. MACDONALD (Pictou): I did not say that. I simply explained the reason for the temporary abolition of cadet training in France. Now, as regards this vote, if the provincial authorities of Ontario, for example, through the superintendent of education intimate to the officials of my department that they do not want a cadet unit in any particular school in the province it shall be abolished immediately. The educational authorities in each of the provinces are responsible for the existence of every unit with which they are concerned. Lord Strathcona's bequest in 1908 originated on a permanent footing the system which has existed since 1879. None of us want to see war again; God forbid that such a thing should occur. But we all want to see our children physically trained and trained properly, and military exercises constitute a part of such training. That is the opinion throughout the country; it is held by most educational authorities, and it is my own opinion. For these reasons I do not think that the motion should be entertained.

Mr. CHURCH: The remarks that have been made on this subject to-night I regard as an insult to the soldiers and militia of the city from which I come, and I am perfectly sure that the opinions expressed by the hon. member for Southeast Grey are shared by very few of the people whom she represents. I would not have entered this debate but for the insults that have been hurled at the city of Toronto where some six thousand mothers mourn the loss of sons who died in Flanders while fighting for us all. I sympathize with the minister and his predecessors in having to meet this unreasonable opposition. The vote of $400,000 is not too much for the purposes for which it is intended. Nobody in this country wants to see war; we all want to see peace prevail. But pacifism can be carried too far, and such speeches as that of the hon. lady member (Miss Macphail) and her colleagues, Mr. E. C. Drury and others in Ontario, are not at all to be commended. Mr. Drury and his colleagues in the late provincial government went up and down the province of Ontario preaching the same gospel of pacifism. Ontario gave a negative answer to the question shall a province which was saved by a Brock be ruled by a Drury, and I have no hesitation in declaring right here and now that I for one would not want to be a member of parliament if such speeches were countenanced. They certainly do not reflect credit on this deliberative body. You could not make such speeches in the United States, and this must be a very free country indeed where such sentiments can be expressed. The oath which every member

of parliament takes and the prayers which are read at the opening of the House every day refer to one king, one flag and one empire. The cadet of to-day is the militiaman of to-morrow. Members to my left, I am sorry to say, do not seem to know what the cadet movement really is, or they would not make the speeches we have listened to to-night. The cadet movement is not a military movement. It started in the public schools and the Y.M.C.A. It instils the principles of respect for authority, love of country and love of empire in the cadets. You cannot have cadet training without some leadership, just as you have in the boy scouts and in every branch of athletic sports—there must be a captain or leader. In the United States to-day the cadet movement is carried on in every school. Even the child in the kindergarten class is taught to love the flag, and at the opening hour a series of lessons on the flag and what it stands for are given to the children. In fact in no other country in the world have they more militarism than in the United States to-day. There is no pacifism there. They have respect for their flag, they instil lessons of patriotism; and that is what I admire the American people for. We are going to continue the cadet movement in Toronto whether the hon. lady from Southeast Grey likes it or not. The taxpayers of Toronto are paying for it, as they pay for everything else, and it is none of her business.

I would not have spoken but for the attack made on the Minister of National Defence (Mr. Macdonald). He has been a good, progressive minister, and our returned men want to see him in our city as long as he is head of the department. In conclusion, I do not think I can do better than read to hon. gentlemen two paragraphs from an article in the English Review of February, 1925, on the dangers threatening the empire to-day and the need of military preparation. To my regret, we have been cutting down the militia estimates to about nine million dollars. The article to which I refer is written by Captain J. Brifaut, Flight Captain of the Reserve and member of the Belgian Chamber of Representatives. Quoting Dr. Gustave Lebon on The Uncertainties of the Present Hour:

"A people does not resign itself to defeat when it considers itself superior to its victors. A German attempt at revenge can, therefore, be considered as one of the most certain events of future history."

He says:

Are these words too pessimistic? Ought we to expect a German revenge? The question might have appeared out of place two years ago, four years ago even more so. But to-day? Who would still dare to be astonished and to affirm that a fresh war is impossible, or even improbable? In order to have the right to do this, one must be unaware of the return of the Crown Prince to Berlin; of the striking manifestations of the monarchists in Prussia and Bavaria; of the political crimes; of the complicated network of secret societies and innumerable organizations of veterans and young persons aiming at military preparation; of the manufacture, clandestine and open, of fresh arms; of the speeches and the results of the last elections to the Reichstag; of the incessant and aggressive threats in deed and in word, which reach us from the other side of the Rhine, and which become clearer and more numerous from day to day.

One must, above all, deny the advantage which Germany, thanks to her genius for organization and to her prodigious industrial power, can derive from the two new arms revealed by the last war, and developed since then: aviation and gas.

Then he goes on to refer to the strides made in connection with aviation, and also to what he speaks of as the chemical danger. He says:

Germany possesses the most formidable chemical industry that there is in the world. It is useless to give the production figures of the "Interessen Gemeinschaft", that chemical Krupp's, which is a federation of the great German chemical works.

With her thousands of specialized chemists, with her up-to-date laboratories, with her public and private resources, Germany is pursuing in an active manner, and without any control, researches similar to those which allowed her on April 15th, 1915, December 19th, 1915, and on July 22nd, 1917, to make her murderous emissions of chlorine, phosgene, and yperite, to which we were not in a position effectively to reply until ten months, seven months, and eleven months respectively, after having suffered these disastrous surprises.

Are we threatened with similar experiences in the perhaps near future?

Nobody wants war, but we should take our experience from the past. We have had these same pacifist representations with regard to cadet movements in past years. Let me point out that in the city from which I come those who are interested in this training, or many of them, buy their own uniforms. The officers have to meet the cost of the organization of the department. Every regiment in Toronto has a cadet service and they pay for their own services, and the Board of Education pays for its services. We are spending less on military training than any other country in the world. Here are some of the figures:

	Amount devoted to defence out of every $100 of total expenditure
Canada	$ 2 99
Great Britain	19 96
Australia	5 95
New Zealand	2 08
South Africa	5 38
United States	16 96
Argentine Republic	17 55
Belgium	10 96
France	20 16
Italy	15 87
Japan	36 00
The Netherlands	14 17
Switzerland	15 43

It will be noted that the United States out of every $100 of total expenditure spends $16.96 on defence—and this is the country that is so often referred to by my hon. friends to my left. Here we are spending a little bit of pin money on defence. We have no fleet; and are content for our maritime freedom to sponge on the hard earnings of the British taxpayer that has his food taxed to provide a navay to defend Canada's shores, and we depend upon the Mother Country in a maritime way for the protection and the liberty that we enjoy. Were it not for the British fleet and for the protection which the Mother Country gives us, we would be spending $20 or $25 a head on defence, instead of depending on the hard earnings of the poor British taxpayer. I protest against language in this honourable House of the kind that the hon. member for Southeast Grey has used, and it should be expunged from the records of the House. 'Silly war memorials!" Such an insult to those who lost their all in the Great war and their glorious dead.

Mr. McMASTER: Mr. Chairman, I will not detain the committee long with the few observations I have to make upon this subject. I intend to support the motion made by the hon. member for Southeast Grey (Miss Macphail) and I wish to give very briefly the reasons why I do so. First of all I think we should envisage this question properly; we should not exaggerate the situation. We are a country whose military expenditure is reduced to a very low figure. I do not think there is any country in the world which contains less of agressive militarism than this Canada of ours. I do not think any party in the state, I do not think any responsible statesman in Canada, is anything but a lover of peace; where we may differ is as to the methods which we may follow to attain this end.

Now, the minister has referred to a trip he took to Europe, and he says that when he was there last year he found things in a very disturbed condition. I am afraid that he is right, but I would like to direct the attention of the commitee for a moment to the reasons why Europe is in a disturbed condition. We fought a great war, we were told, to end war. I believe the mass of the British people, the people in England, Ireland, and Scotland, the peoples in Canada, Australia and New Zealand, who leaped to the call for arms in August of 1914, were inbued with high patriotic ideas. I believe they had no idea of fighting the war for aggrandizement. I believe they honestly thought they were fighting a war to end war.

But what happened when the Peace treaty was formed? Unfortunately the high ideals with which the warring nations started, with which the British people started, had been lost. In Great Britain an election had been won shortly before the beginning of the negotiations on an appeal to national feeling and on an appeal to hatred of their enemies, and unfortunately that spirit was brought into the peace negotiations. Unfortunately a peace was negotiated which instead of ensuring peace ensured more difficulty, and that is one reason why Europe is in a disturbed condition to-day. Another reason is that instead of laying down their arms, instead of disarming, the peoples kept on arming one against the other, and I say that the history of mankind shows very plainly that the way to obtain security is not through military preparedness. If there is any lesson which the war has driven home on the consciousness of thinking people, surely that is the lesson. The minister has said that we need in this country some military force for the maintenance of internal order. I am prepared to grant him that. I would like to see our military establishment on such a footing as may be required to maintain internal order, and the more righteousness and justice and generosity and fair dealing obtain between class and class, between employer and employee, so much less will that establishment require to be from year to year.

The member for Southeast Grey has not beclouded the issue. I think she has enlightened the committee. In every great movement there are heroes and in every great movement in the history of the world there have been heroines, and I consider that the member for Southeast Grey belongs to that class. She assuredly has so conducted the battle that she has put the gallant and hon. Minister of National Defence almost on his defence. He says that the responsibility for the existence of cadet services in this country is not on his department but on the departments of education of the different provinces who ask for them. Let them not ask for it, says the minister, and they will not receive. I would suggest that the responsibility was joint and I would think that efforts should be made in both directions to have these cadet services eliminated. Surely it is patent to all of us that whatever mankind did in the past in the way of ensuring peace by preparing for war, they were wrong, and surely the children and the young people should be given a chance. Whatever is required to secure us by way of military expenditure and military establishment, surely we should give the new gener-

ation an opportunity to try another way, the old way having proved to be such a dismal failure.

It is said that military training gives the best discipline. I do not know about that. I do not know whether military discipline has been shown in the past to be the very best training for mind or for body. It has got some advantages, no doubt, but could not these advantages be obtained through physical exercise, and even physical drill, if necessary, without attaching it to military pomp and military procedure. It seems to me that it could. There is an organization in the country to which an enormous number of young boys belong, the Boy Scouts; it has physical drill; it has physical exercise. It appeals to the gregarious feeling in youth by combining them in companies and subjecting them to a certain amount of discipline and organization, but it is removed in spirit from the spirit of war and the spirit of hate. It depends for its excellence upon entirely another spirit.

Mr. ROSS (Kingston): What is the difference between physical training and military training? I do not know; I ask just for information..

Mr. McMASTER: I would imagine that when a boy is given a gun in his hand and a uniform is put on his back, the idea conveyed is that he is to be trained to kill somebody in a certain eventuality.

Mr. ROSS (Kingston): Supposing he has not a gun?

Mr. McMASTER: If we are going to keep the cadets in jerseys, if we are going to uniform them like the Boy Scouts, if we are going to keep guns out of their hands, then I suppose I would ask the genial member for Kingston, when is a cadet not a cadet?

Both parties in this verbal controversy have appealed to the United States. Some people in the United States are thoroughly convinced that the security of mankind is not to be maintained through military preparedness, and I think they represent the majority of that great people. There are others who make the common error of confounding patriotism with militarism, and who are prepared to denounce those who do not like militarism as being unpatriotic. Well, if that is what the pacifist has got to bear—to be called unpatriotic—then I am prepared to be called unpatriotic.

Let me say just two words in closing. Some criticism has been directed to the member for Southeast Grey because of her desire to see war memorials take a shape different from the shape they take at the present time. There are those who think it wise to raise stone memorials to those who have fallen and to the beloved ones who have passed over. I for my part have no objection to that, but I think there is a better way. If I may be permitted a personal reference, a college society to which I belonged in my youth lost two-thirds of its active chapter during the war, and what we did was this: We raised no brass tablet, we raised no stone monument, but we subscribed until we had a fund of upwards of $20,000, and we founded a scholarship at the university to which we belonged.

Mr. MACDONALD (Pictou): Does my hon. friend mean to say that the publication every year of the names of the winners of that scholarship and the purpose for which it was founded, does not carry to the mind the very same lesson that would be carried by looking at a war monument?

Mr. McMASTER: I think it would carry the lesson a great deal better because it would show that in better knowledge, with better information, there might be found a way out of the morass which we all wish to avoid. We should try to find the greatest common ground. I do not think there is much that divides us, but what I want to insist upon to the members of this House is that to surround children with a military atmosphere is, I think, a mistake. It has been done in the past, said the minister. Why, everything has been done in the past that we wish to get rid of.

Mr. MACDONALD (Pictou): Are the educational authorities in every province in the Dominion wrong?

Some hon. MEMBERS: Yes.

Mr. McMASTER: In so far as the educational authorities ask for cadet training in their schools, I think they are wrong, and I would also say this: I believe that if a vote were taken of all the teachers and all the parents in all the provinces, a very handsome majority would be registered against cadet training. That is my view. We have taken no plebiscite and I may be mistaken, but I think that is the view of the Canadian people.

There is one bright ray in this picture, and it is this, that not only have those who have generally been called pacifists come out strongly in denunciation of war, but it is no longer regarded as the school of hardy virtue. We used to be told when I was a boy that nations required war, that if they did not have war they would become

effeminate, that wars were required to build up a strong and virile people. You do not hear that sort of talk to-day except among people who are perfectly crazy. Great generals, like Sir Arthur Currie, General Sir Ian Hamilton, great military leaders like Earl Haig are just as strong and stern in their denunciation of war, and in their declarations that war never settled anything, and that mankind has to find a better way for settling international disputes. Under these circumstances, is it quite fair to the rising generation to put them in touch with military matters in this way? I think it would be wiser not to do so. After all, as John Bright once said, we are the true ancients—we stand on the shoulders of our forefathers and can see farther, and I think the best of modern thought would be that we might well leave out this expenditure of public money for the purpose for which it is asked this evening.

Mr. GRAHAM: The only sad thing I see about cadet training is that every twelve months it parts me from the member for Southeast Grey (Miss Macphail). I do not like to be put in that position, because I know neither one of us likes it. I would rather be able just to say we agree on everything, and if it was not for this cadet training I think we might always be in what the musicians call close harmony. I feel a good deal as she does about war. God knows I have not any love for war. I am not a militarist, nothing of the kind. I will go further than my hon. friend from Brome (Mr. McMaster), that is, in a statement of opinion, although I will not go so far into history. I find great difficulty in convincing myself of the great benefits we got from the last war. The further we get away from it the clearer, it may be, our vision becomes, and while so far as I am concerned I feel that Canada would have to do her duty in another war, if we are called on to do so, still I fail to see the great benefits that were derived from the last war. I am not unpatriotic in saying that, but at this distance, I would say the war in a measure resulted from the collapse of proper diplomacy. That is my view.

War has nothing to do with cadet training, as far as I am concerned. I am not talking from any theory. I will say two or three words, and I hope it will not be thought that I am injecting my own domestic affairs into this debate. As to the boys not liking the cadet training, I may say here, as the father of two cadets, that they love the training. I had one son, a very tall young man, who grew very rapidly, and the cadet training made a physical man of him. I do not care whether he carried a gun or did not. I know that he had physical training at school, and from a long drawn-out younster he became a well developed young man, and I attribute it more to the training he got in the cadets than anything else. That cadet training did not impel him to go to war, but when he felt it his duty to go to war he had the physique that the cadet training gave him to enable him to go to war and do his duty. The other son was of a different stature, but he was very fond of the cadet training, went all through it and became a strong, a stalwart young man, as every person who saw him in the press gallery here knows. Under those circumstances this is what I feel, not theoretically but practically; that I would vote for cutting out every item in the National Defence estimates before I would vote to cut out the cadet training.

Mr. GOOD: I do not think the importance of the subject we have been discussing this evening can be over-estimated. If we cannot find some way out of the morass that we have been struggling in for the last few years, I see little hope for civilization or humanity. There is, of course, no difference of opinion between any of us as to the evils of war and as to our desire to get rid of them. But I submit to you, Mr. Chairman, and to the House, there is a great difference of opinion as to how we can best get rid of war. That is the vital question we have to consider and decide.

I am free to admit the difficulties of the situation. I am free to admit it is a most difficult subject to discuss between ourselves, because it touches some of the deepest feelings, instincts, prejudices and passions in humanity. I remember reading some few years ago a very significant little tract by the late Professor William James of Harvard University, one of the most eminent psychologists this age has seen. In this tract he stated in effect: That in human affairs reason was a very small factor, while passion and prejudices were the big factors. He said that reason was like a little sandbank in a wild and hungry ocean, but as the sandbank may increase gradually through the drifting of sand upon it, under the action of the storms and waves from all directions, so the accumulation of reason may grow in spite of the fury of the waves of passion and prejudice that beat upon it from all directions. That perhaps is a parable of life and history, and I think our effort ought to be if possible to add some increment to that little sandbank of reason, which perhaps in this instance may

preserve humanity from destruction, and also our sons and daughters and the future generation from destruction. In this matter there is a good deal of muddy thinking. We are under an obligation in this, as in other matters, to try to clear our thought from the influence of those waves of passion and prejudice to which I have referred. Going back to the outbreak of the Great war in 1914—

Mr. NEILL: I rise to a point of order. I do not want to be discourteous to the hon. gentleman, but I submit that there is a rule that the discussion of the estimates must be confined closely to the item under consideration. The hon. gentleman is giving us a well thought out address on war which I submit is beside the subject of the vote. While I do not wish to be discourteous, I have a hope and desire to get home before the snow comes.

Mr. GOOD: Speaking to the point of order, I asked the minister some time ago if I would be permitted to discuss the general policy under this particular item. I refrained from participating in the discussion under the previous item on the assurance previously given that I would have liberty to discuss the general question under this item. I submit further, Mr. Chairman, that the general philosophy of the matter is pertinent to this item, and has already been discussed by a number of the hon. members who have taken part in the debate. Surely the hon. member for Southeast Grey discussed more than the one question of cadet training.

Mr. NEILL: But she should not have.

Mr. GOOD: I claim I have the right, guaranteed me by the minister, when I refrained on the previous occasion, that I should have the opportunity now of discussing this matter.

Mr. LEWIS: It seems to me very unfortunate that hon. members have discussed militarism in a general way under this item. I think it should have been discussed under any item except cadet training.

The CHAIRMAN (Mr. Vien): I was not in the chair when the hon. member made the agreement with the Minister of National Defence. I understand we are now at item No. 97, cadet services, and I suppose the hon. member thus far is laying the foundation of his argument on that item. I must draw his attention to the fact that we are now discussing item 97, cadet services.

Mr. MACDONALD (Pictou): The hon. member did ask me if he could discuss the administration of the department generally, as I understood it. I did not suppose he was going to discuss the abstract principle purely, but that anything relating to my department could be discussed under this item.

Mr. GOOD: Speaking again to the point of order, Mr. Chairman, unless you have ruled—

An hon. MEMBER Go ahead.

The CHAIRMAN (Mr. Vien): The ruling has been given.

Mr. GOOD: I wish to recall to members of the House the outbreak of the Great war in 1914. At that time I, as I suppose most other Canadians, felt that although we experienced no great satisfaction in the outbreak of any war, we did feel that it was then practically unavoidable, and that we were bound in honour to go ahead with the enterprise when undertaken. I think too, as the hon. member for Brome (Mr. McMaster) has so well said, that most of the people in Canada and in all British countries had the highest motives in participating in that war, but I submit that the upshot of the war is very disturbing to the views then current. I should like to quote one expression which a newspaper friend of mine used at that time and which I think is very significant as embodying the conviction to which I feel myself driven by subsequent events. He was perhaps rather hot, and this is the way in which he put the whole matter:

Scoundrels at the top, fools at the bottom.

That was his summing up of the whole war. I must say that the more I have looked into the records, the more I am convinced that such is a fairly accurate description of that great catastrophe.

Mr. McBRIDE: I think that is an insult to our officers who went overseas and did splendid service, and I do not think it should be allowed to pass unchallenged in this House.

Mr. GOOD: I do not refer to the officers when I mention the "men at the top." I am sure my friend whom I mentioned did not refer to them and I am sorry if he has been misunderstood.

An hon. MEMBER: To whom did he refer ?

Mr. GOOD: You will have to ask my friend.

Mr. HARRIS: Tell us who were the fools at the bottom?

Mr. KENNEDY (Edmonton): They threatened to hang one not long ago and they did not do it.

Mr. GOOD: It seems to me that the world has been guilty of what I might call criminal insanity in going into this war. If we had a plague, an epidemic, that took away as many lives and destroyed as much property as the last Great war did, we would not go at the solution of such a problem in the way we have gone into the solution of this one. We would have set our medical men to work studying. We would have concentrated upon this problem of the epidemic and striven to find the cause, to isolate the germ, if you like, to seek for a remedy and to apply that remedy. Frankly, I do not think the nations have adopted the same sensible method in attacking this awful plague of war that we certainly would have adopted in connection with a physical plague. It is significant that in 1917, during the war—

Mr. MACDONALD (Pictou): My hon. friend, in discussing the war of 1914 and its causes, is going very far afield from anything relating to a vote in my department.

The CHAIRMAN (Mr. Vien): I must again draw the attention of the hon. gentleman to paragraph 5 of rule 13, which says:

Speeches in committee of the Whole must be strictly relevant to the item or clause under consideration.

Therefore I draw the attention of the hon. gentleman to the fact that he must limit his remarks to that. The item under consideration is cadet services.

Mr. GOOD: It is just a question whether I shall have the right which was granted to me by the minister some little time ago. If I am denied the right to discuss the question, I suppose I shall have to acquiesce.

Mr. MACDONALD (Pictou): Let us understand each other. As ministers frequently say to hon. members when they want to discuss general matters on general votes: You can discuss that subject on one vote although that does not happen to be the particular vote to which the subject is relevant. I intimated to my hon. friend that he could speak on the next item. My hon. friend is talking about the war of ten years ago and reading authors on the subject, which has nothing to do with this vote or anything in the department today.

The CHAIRMAN (Mr. Vien): My ruling has been given that the hon. gentleman must limit his remarks to the item under discussion.

Mr. MACDONALD (Pictou): I have no objection to his discussing anything in the department.

Mr. GOOD: That means the gag and I will stop.

[Mr. D. M. Kennedy.]

Mr. LEWIS: It is with diffidence that I rise to say a few words on this item. It is much easier to follow the line of least resistance or to sail on the wave of popular opinion, but at the same time I think a person has a certain responsibility. Arguments have been advanced against cadet training. The only thing that I am sorry for is that I happen to live in a part of Canada where there is no cadet training and I am the father of five boys.

Miss MACPHAIL: And a minister of the gospel too.

Mr. LEWIS: Yes, "and a minister of the gospel, too," the hon. member for Southeast Grey says. I have two boys in the Boy Scouts, and every one of the younger ones is continually asking their mother: "When shall I be old enough to join too?" Just because I believe in physical training for my boys and because I believe they should learn the art of self defence, that does not mean that I want them to enter into every street-corner brawl that happens to occur. But I do not want any of my boys to be sissies, and whether in a foot-ball game, whether it be rugby or soccer, or in a baseball game or lacrosse, I hope they will be able to take care of themselves. I believe physical training is necessary. There is such a thing as mental discipline. I have been out with the Boy Scouts a good many years, and I believe those who are in that kind of work have a certain mental discipline. They have physical culture, they have training generally, and for that reason I am going to support the vote.

Mr. IRVINE: I understood the hon. gentleman to say that he wanted his boys in the cadet movement in order that they might learn to protect themselves. If this is true which I am going to quote—

Mr. LEWIS: Is the hon. member asking a question?

Mr. IRVINE: Yes. If the hon. member does not wish me to ask the question, let him say so.

Mr. LEWIS: I do not think that is a question. The hon. gentleman has a right to speak and when I have finished, he can. I am not afraid of questions, but I do not think much of an idealism that evaporates into eternal nothingness. I hate war just as much as anyone else, but I believe it is easy enough to go along with popular opinion.

Mr. KENNEDY (Edmonton): What does the hon. member mean by "popular opinion?"

Mr. LEWIS: It may be popular in this House to hate war and to sail on that wave.

But if war did happen those who take that position would be the very first to call down the government for not being prepared. We have a responsibility. If the arguments that have been advanced in this House were to be carried out to their logical conclusion, they would amount to this. You do not want any morality squad in any city because if you took it away, there would not be any vice. On the same argument, if you did away with the police force, there would not be any crime. The thing is just as ridiculous on the one hand as on the other. Canadians have not sponged on anybody in the past and I do not want future Canadians to sponge upon anybody. We have to bear our responsibility in the world. No nation can live to itself. We have to go on the high seas. We have commerce all over the world, and just as long as the world demands that the world shall be policed and looked after, Canada has her right and responsibility and she must do her share. I sympathize with the minister because this is aganist popular opinion, but at the same time he has a responsibility and I intend, even though it should cost me my seat in this House, to support him in this vote.

Mr. ROBINSON: If I thought military training in the schools or cadet corps training would have anything to do with bringing about a war or with encouraging the military spirit in the young people, I for one would be opposed to cadet training. I do not know whether this is true of anybody else in the House or not, but I have taken the training that is given to those who have to instruct cadet corps, and I have had cadet corps to instruct.

The member for Southeast Grey made the statement that she was strongly in favour of physical training but was opposed to such training as was given in cadet corps, because in cadet corps training obedience was required. In any physical training at all if it is to accomplish anything absolute obedience is required; otherwise it is not physical training. There must be obedience to outside orders in order that there should be any training at all. Again, the statement was made that the cadet corps work was compulsory. Now, in all schools that I have had anything to do with, and I have had some experience in this line, no one is compelled to join the cadet corps if he does not wish to do so. It is left absolutely to the free will of the individual. So far as the uniform or even the carrying of a gun is concerned, this is merely an external matter; it adds to the human interest of the thing. You cannot get children to take part in anything of this kind unless you can engage their interest. I would not say that the gun was necessary, for some of the best cadet corps I have ever seen, so far as training went, used no guns at all; they simply went through the motions. It has been said that all games are good apart from cadet training. Now, in any game such as football or baseball the element of competition comes into play and you will find that these games arouse feelings of anger and other passions which you never see in the cadet corps. There is no occasion for these passions in cadet training. I have witnessed football games in which the teams seemed to me to hate each other; it was anything but a spirit of love. I cannot conceive of any game such as we have heard spoken of that is not a competition. When it is argued that cadet training has no part in education it is necessary for us to have a clear-cut definition of what is meant by education. It seems to me that we are getting a long way from the subject, and arguments have been introduced that have no bearing on cadet training at all. If I believed that the training of boys in schools in cadet corps fostered a military spirit and inculcated an aggressive temper I for one would oppose it. But from my own experience I know that this is not true.

Mr. GARLAND (Bow River): Why then carry guns and wear uniforms?

Mr. ROBINSON: Why do football and hockey teams wear uniforms?

Mr. GARLAND (Bow River): There is quite a difference in the uniforms.

Mr. ROBINSON: There may be, but I can tell you I have seen more damage done in a hockey game with sticks than I have witnessed in a cadet corps with guns.

Mr. ROSS (Kingston): Do the mothers object to the boys taking training or do the boys desire it in some cases when the mothers object?

Mr. ROBINSON: So far as my experience goes, if the mothers object strenuously there is no compulsion on the boys to receive training. But I have not often met mothers who objected. There is a feeling among certain people that such training creates a spirit of aggressiveness in the boys, but as I say I have never witnessed any such spirit in cadet corps. And in any case one hour a week is the time allotted to this training. You get a crowd of boys together and have them move in unison and there is nothing in that to arouse any aggressive spirit. On the other hand I have seen football teams where, the men lined up on

either side, they are told to go at the other fellows and kick them to pieces if they can.

Mr. ROSS (Kingston): In the hon. gentleman's experience, what percentage of the boys desire this training?

Mr. ROBINSON: I should say offhand about eighty per cent of them. But it does not begin until the boys are about fifteen or sixteen; before that age they are not allowed to enter the corps.

Mr. ROSS (Kingston): And what percentage refuse?

Mr. ROBINSON: It is seldom that they refuse. There is nothing better than having one, two or three cadet corps go through the movements in order to see who can make the best showing, and there is never any spirit of rivalry displayed nor are there any looks of hatred in the faces of the participants such as you see in many games on school grounds. If I did not believe this I for one would not defend cadet training because I dislike war as much as anyone else does. I do think however that the boys derive a great benefit from being put through these harmonious evolutions which have nothing to do with any spirit of aggressiveness that will make one nation grow to hate another.

Mr. ROSS (Kingston): What is the difference between military training and physical training?

Mr. ROBINSON: There is no difference at all except that military training is the broader term, including physical training. Physical training leads up to military training.

Mr. IRVINE: I agree to some extent with the remarks that have been made by the hon. member (Mr. Robinson). I have not the fear which other hon. gentlemen seem to have of what the boys will acquire from their training. As a matter of fact I think the boys and girls get little training anyway except such as they acquire by themselves through their born instincts and their environment generally. For instance, I believe that most of us went to Sunday school and I have no doubt we attended regularly and drank in all the precepts and idealisms which were offered. I have no doubt the Minister of National Defence (Mr. Macdonald, Pictou) did so himself. And what good has it done him?

Mr. MACDONALD (Pictou): A whole lot of good.

Mr. IRVINE: What good has it done the hon. member for Swift Current (Mr. Lewis)? He said a few moments ago that all ideals evaporate into nothing. I doubt whether you will make warriors out of boys by giving them a mock gun to carry on their shoulders. I am not afraid of that at all. I do think however that the Minister of National Defence should be absolutely frank with the committee and if this vote is for military training he should say so. If it is not for military training, I want to urge that this vote be renamed and made a vote for physical culture, to be extended to every boy and girl in Canada. Let us be frank and square and honest about this thing. If the vote is for military training, say so.

Mr. MACDONALD (Pictou): I will give my hon. friend an answer right away. I have already stated that this vote is not for military training, but for military exercises carried out in connection with physical training.

Mr. IRVINE: Will the minister then accept my suggestion that this training be extended to every child in the Dominion?

Mr. MACDONALD (Pictou): No, because, as my hon. friend well knows, these military exercises are only given in such schools as the educational authorities of the various provinces designate.

Mr. IRVINE: But if it is made clear by the Minister of National Defence that this vote is to be expended, not for military preparations at all, but only in physical and moral training; to inculcate obedience, and so forth, as the hon. member who has just spoken stated, and is to apply to all children, I think the educational authorities will be more than glad to give it wider application.

Now, I wanted to ask a question of the hon. member for Swift Current (Mr. Lewis) —that militant apostle of Mars. He permitted me to do so, but withdrew the privilege before I got the question out.

Mr. LEWIS: I was afraid you were going to make a speech.

Mr. IRVINE: I am just going to make it now. The hon. member said that he wanted to have his boys prepared for self-defence. That is what we all want to do. But I desired to ask the hon. member if the best trained warrior is best prepared to survive to-day, and I also wanted to quote to him the words of an eminent bishop, who in the course of a speech in Westminster Abbey—a shrine already referred to by the Minister of National Defence—said:

> England, with its economic dislocation, its millions of unemployed, its tremendous burdens of taxation, its millions of bereaved homes and its uncertain future, is the strangest example of a victorious nation the world has ever seen.

I will go further than that. Germany is worse off than Great Britain, and Germany was better prepared to fight than was Great Britain. Will the hon. gentleman say that by giving his children military training he is preparing them to survive in the world today? I would invite him to do a little more thinking along wider and more natural lines. He would then discover that fighting is not the only way of defence. I would rather see my boys able to defend themselves by their creative genius than by merely apeing the tactics of the cave man. There ought to be a method of defence that is in keeping with the intelligence and the moral aspirations of the twentieth century; and if my hon. friend is so very anxious to protect his children, he will have to adopt some other method than that which he is in favour of now.

Mr. JACOBS: What chance would my hon. friend's boy have with the cave man?

Mr. IRVINE: My hon. friend I am sure would put it over any cave man that ever stood up. If I can train my children to be as adept at protecting themselves as is my hon. friend—and he is not a militarist—I will not be afraid of any cave man overcoming them.

Now, there is one other point mentioned by the Minister of National Defence that I wish to refer to. He insisted that we were maintaining the barest minimum of military preparation, and then he emphasized what he says is a fact—and certainly I do not challenge it—that the situation in Europe is extremely grave. But where is the logic of his position? If the situation in Europe is so extremely grave, why should we not rather maintain the maximum of military preparation since we are committed to a force philosophy? Of course, then he would say to us, "That is so, but we are a portion of a great empire, we are associating ourselves together in that empire for mutual protection, and therefore it is not necessary for us to make such large preparations as we would have to make were we standing alone." I reply to that again, that by our association in an empire we are not only associated in protective agencies, but we are associated in bearing the brunt of the blunders of Europe and diplomacy blunders which go back for centuries. Our imperial associations have dragged us into European wars, and I suggest to the minister that if we are face to face with the probability of another grave crisis in Europe, and war be the only means of settlement, then the maximum military preparation is what he should be proposing to this parliament. On the other hand, if, as is the truth of the matter, our little army is all that we could put up against a great nation like that to the south of us as our only means of defence, we would be practically helpless, would it not then be better for the minister to seek some other way of defence whereby we could at least match any other nation regardless of its numerical strength, not by brute force but by something better? Now, I hope the minister does not regard what I am saying or what any other member has said as personal to himself. Certainly I am not blaming him for the last war, I am not blaming him for the fact that he took over the Department of National Defence—

Mr. LEWIS: Mr. Chairman, you have already ruled that we are discussing the cadet movement and not the general subject of war.

Mr. IRVINE: I am going to connect up my remarks with the cadet movement at this very point, Mr. Chairman, and it is not very difficult to do. The cadet movement, notwithstanding the statement of the minister—and I am not taking that as being absolutely frank—that it is not for military purposes, is undoubtedly associated with militarism and is the training ground for the future soldiers of Canada. Nobody doubts that. If the minister does not know it, he is the only man in Canada without that knowledge; and I think he ought to know it, seeing that he is at the head of the Department of National Defence. Of course, I know that the instinct to kill, to destroy, is in every child; he enjoys it. And I presume the minister intends to utilize that instinct so as to develop some better qualities. I notice the hon. member for Brome (Mr. McMaster) is shaking his head, but I am making reference to physiological and psychological facts. By that statement I am not attributing anything personally to the minister. I will go further and say that the instinct ought to be utilized. But this does connect the whole business with our military programme, and I do not think it is possible to discuss the cadet movement without entering the wider field.

But I do not wish further to detain the committee. I come back to the one point that I desire to make, and I am going to insist upon it. I shall be glad to vote for this item if the minister will agree that the money be devoted entirely to physical culture, and the training extended to every boy and girl in Canada. If he will do that, I do not care whether the cadets use rifles in their drilling, I do not care whether they form fours or form eights,—if he will extend the training in the way I have suggested, I shall be glad to vote

for this item. But if the minister will not give the committee the assurance that he accepts my suggestion I shall have to vote against the appropriation.

Mr. POULIOT: If this training is extended to every boy and girl in Canada, should it not be compulsory?

Mr. IRVINE: Why so? May I return the question?

Mr. MacLAREN: One of the most striking facts that impressed itself on the people of this country as well as of Great Britain during the war was the large number of physical unfits that there were among the young men. It was and it is a warning to this country to look after the physical condition of the youth. There seems to me no more practical way, no more feasible way of attaining that end than by this very means we are now discussing, namely, cadet training. Cadet training can really be better described as physical training; that is the essence of the cadet service. I commend physical training in the shape of cadet services for the youth of this country. The development of strong and healthy men is an important thing; it must be done in a systematic way, and here is a means of doing it. I commend the cadet services and I trust that we will long continue to have them in this country.

Mr. DENIS (Joliette): This vote is clearly a vote for military purposes. The hon. member for East Calgary well defined the situation a few moments ago when he said that this cadet training was an annex to military training. If, then, it is a military vote, we must take it as such. The minister seems to be of a different opinion, but if it is not a vote that has relation to military training why is it placed under this head in the estimates? For instance, it might be in the estimates of the Minister of Health, or under the head of miscellaneous at the end. The fact that it is included in the militia estimates indicates clearly not only that it is a military vote but that the minister considers it as such. I have been rather surprised to hear the minister say that in the province of Quebec 52,000 cadets are training. I doubt whether the object of this training has ever been properly explained to the teachers or to the parents of those children. I doubt very much whether the teachers and the parents would agree to this training—

Mr. MACDONALD (Pictou): I am afraid my hon. friend did not catch my point. I said there were no cadets in any school in the country, the province of Quebec included, where the teachers in charge of the institution did not ask to have them there.

Mr. DENIS (Joliette): I understood the minister quite clearly on that point, but are the teachers well aware of the object of the training?

Mr. MACDONALD (Pictou): I assume they are intelligent people.

Mr. DENIS (Joliette): Yes, I assume they are, but I think those who are doing the training would be more or less inclined to tell them that this training has nothing to do with military matters, and so on. Now, if it is a military vote, I would point out that the militia estimates of this year—and if I am wrong I would like to be corrected—exceed those of last year by $243,220.

Mr. MACDONALD (Pictou): The only increase in the militia vote is for air services, an increase rendered necessary on account of the obtaining of more machines for fire patrols and carrying out the work of the Department of the Interior in western Canada. As regards military and naval votes there is no increase.

Mr. DENIS (Joliette): That is to be seen from the estimates, but just the same when you take the estimates as a whole you find they are in excess of those of last year by the amount I have mentioned.

Mr. MACDONALD (Pictou): My hon. friend should not mistake the point. As regards military and naval matters the estimates are not increased. The hon. member can see for himself that the only increase is for the purpose of supplying air machines to be used for peace purposes, in the development of this country.

Mr. DENIS (Joliette): If it is to be used for peace purposes why is it placed under the head of National Defence?

Mr. MACDONALD (Pictou): Because we are the only department that have aeroplanes. We are not using them for war purposes; we are using them for the development of the country.

Mr. DENIS (Joliette): Then I am willing to give credit to the minister for the fact that his estimates have not been increased, although on the face of it they would appear to be. Now, we have in addition to that, supplementary estimates to the amount of $2,221,110, so that if we take these into consideration there would be an increase of more than $2,000,000 over the estimates of last year in any case. It will be said that this cadet

training is for the purpose of defending the country if necessary.

Mr. LANCTOT: Who is going to attack us?

Mr. DENIS (Joliette): There is a book written by E. B. Lytton, entitled "What Will He do With it?" I ask this committee, what will we do with our militia? What can we do with it? What use is it to us? Is it to defend Canada? Evidently the answer is that it is to defend this country against any aggressor. Well, where is the aggressor? Has anybody ever seen any? Has anybody ever mentioned or named one? Let us look around, if you like. Is our militia intended to defend us against the United States? That is impossible; whether we had one soldier or 100,000 our fate would be sealed if ever we went to war with the United States. Is our militia to defend ourselves against France or Germany? I should say not, because if ever there is a war in Europe again and if Canada is called upon to contribute to that war—which God forbid—surely it will not be the militia we have here now that will help to make war in Europe. Moreover, we have at this time in Canada about 300,000 men who have been to the war, who are well trained and who could be soldiers at any time.

Mr. ROSS (Kingston): Does the hon. member expect the fellows who were at the front in the Great war to go and fight again for him? Does he think those 300,000 men are going to be sent to the front again?

Mr. LANCTOT: They would not go.

Mr. DENIS (Joliette): No, I do not expect we will ever send them back to Europe, so far as I am concerned. What I mean is this: if war was declared and we had to contribute—which God forbid, as I have just said—we have plenty of trained men here in Canada to provide for that, even outside of our militia.

Mr. BANCROFT: Where are you going to get money to send them again? We are broke.

Mr. DENIS (Joliette): Therefore, this is my last word. I would not say the we should have no militia whatever, but I am opposed to increasing the expenditure on the militia At the present time, and always during peace time, the militia serves very little purpose other than to draw salaries and to create pensions for our military men. Under these circumstances I must vote against this item.

Mr. JACOBS: It is not often I rise in the House to talk on military matters, because I am essentially not a military man, nor do I come from a race that has ever made a success of the battlefield.

Mr. McMASTER: Their success was due to supplying the troops.

Mr. JACOBS: We supplied troops; we also furnished the uniforms. I think I ought to be permitted to say a few words on this question, and to declare that I am in favour of military training in the schools. I do not belong to that cult which teaches that when a man smites you on one cheek, turn to him the other cheek, and therefore, I think I am on fairly good ground when I declare that I am in favour of giving some little military training to the children in the school when they are obtaining their ordinary education.

It has been said that the battles of England have been won on the playgrounds of their public schools. There seems to be a great deal in that. Shakespeare puts into the mouth of one of his characters:

> Beware of entrance to a quarrel; but being in,
> Bear't, that the one opposed may beware of thee.

Surely that is good doctrine, and it is as good to-day as it was three hundred years ago. Many parents send their children to boxing schools. Why? Not that they should become Jack Dempseys or Benny Leonards or make a living by their boxing prowess, but for the purpose of defending themselves in case of necessity. They call it the manly art, and I am not at all surprised that my good friend the fair member for Southeast Grey (Miss Macphail) is not in favour of it because I do not think she would ever want to engage in a boxing bout with anybody. But we must look at this from the point of view of the man, not of the woman. If I had my way, Mr. Chairman, I would not have women teach boys in school at all. Boys should be taught by men, and girls should be taught by women. They say the secret of England's greatness is that the boys are taught by men, and it is also said that what makes for effeminacy in the people of some countries is that most of the children are taught by women. Now I have no quarrel at all with the female sex, but I think they ought to restrict themselves to teaching young girls, leaving men to teach the boys. If that were done, I think it would be a good thing for the country all round. Women have their limitations in the matter of teaching. They look at things from the feminine point of view, and if you leave a boy in charge of a woman—

Mr. GOOD: Mr. Chairman, I presume this is strictly in order.

Mr. JACOBS: I say if you have a boy taught and brought up by a woman, he becomes more or less of a "sissy" when he grows to be a man.

Mr. McMASTER: Would the hon. member permit a question? Would he eliminate mothers in order to develop manliness in the race?

Mr. JACOBS: I am not in favour of abolishing mothers.

Mr. HOEY: Does not the hon. member think that if we denied women the opportunity of teaching boys in the early part of their career, they would have their revenge later?

Mr. JACOBS: Who would have their revenge?

Mr. HOEY: The women.

Mr. JACOBS: That is a little too subtle for me. After all, what is it we admire in boys and men? What we admire is the spirit of endurance. We admire the fibre that is developed in the young man. Now in this military training they get all that. They learn something about subordination, something about obedience. They have their various tests of endurance, and for the life of me I cannot see why red-blooded men can object to any such training as that. It seems to me that the whole subject to-night is scarcely worth discussion. It is more or less of a milk and water type, something that is taught in church basements in Sunday schools, but not something that should be brought before the parliament of Canada. I for one am entirely in favour of this grant. I think that the cutting down of the estimate to one dollar is not sufficient to teach 115,000 children.

Mr. EVANS: I did not mean to take part in this debate, and I shall delay the House but a very few minutes. Let me say at the outset that I feel it my duty to support the amendment, and I want to give one or two reasons for doing so.

An hon. MEMBER: Make it snappy.

Mr. EVANS: Yes, I will make it snappy, and if I am not interrupted I will take my seat perhaps in two minutes.

We need not make any mistake regarding this vote. It is a military vote. The idea behind cadet training is militarism, and I feel that we are creating the wrong spirit in our young people when we are teaching them militarism at that tender age. I say this, not because I or any of my family are of the milk and water type referred to by the hon. member for George Etienne Cartier (Mr. Jacobs). Three of my own volunteered for service in the last war, and two of them were accepted. Military training creates a spirit of domination in any man, and I think we can better train our young people in another organization than under the cadet service. I would rather see this House foster by a vote the work of the Boy Scouts. The idea behind that is service, and service is the greatest thing in the world. A nation is not any safer because it is a nation of soldiers. The safety of a nation does not lie in its military training. Safety of a nation really lies in the unity of its people, and it seems to me that we could better turn our attention to unifying this nation than creating at this time machinery to go to war with other nations. We are creating a wrong spirit altogether, and it is a waste of money because the expenditure is made for an improper purpose.

Mr. WOODSWORTH: The Minister of National Defence is decidedly on the defence to-night when he has to resort to the attempt to distinguish sharply this cadet training from anything resembling militarism. I think we must all realize that the great interest of the Department of National Defence in the purely educational side of this question is of comparatively recent development. That side has been emphasized to-night almost exclusively. I should like to suggest that the education of our children according to the constitution of this country, ought to belong, not to the federal authorities, but to the provincial authorities. The Minister of National Defence has tried to tell us that the educational authorities of the various provinces are responsible for every cadet unit that is established. I should like to have some corroboration of that statement. I had some questions on the order paper regarding this matter, and an order of the House for the return asking various questions with regard to this matter was passed. Although this order for return is of date June 4, we have not yet been given the information, and will not now be given it I suppose before this session is over. I should like to ask very definitely of the Minister of National Defence when the authority to institute cadet training was given by my own province of Manitoba. I should also like to ask him when the authority was given by the provinces of Saskatchewan and Alberta and by the other provinces. The minister states that the Minister of Education must ratify each application. Has that been done? I should like to see the official document. I hold in my hand a statement that

was furnished me by a member of the legislative assembly of Manitoba. I quote in part his memorandum in regard to this matter and ask what the Minister of National Defence has to say with regard to it:

Re cadet movement in schools.

Stated briefly the case is as follows:

The military authorities are apparently pushing cadet traming in the schools.

Captain Chandler seems to be giving his whole time in Manitoba to this work.

He is writing periodically apparently to all school principals, urging the formation of cadet corps, urging the school principals to train (at federal government expense) for qualification as instructor stating that then there will be an annual grant to the trainer, and so much per head for each cadet he gets into his corps.

He further states that he is doing this with the sanction of the provincial Department of Education.

Mr. Cannon, Minister of Education, tells me that Captain Chandler has no such authority to use the name of the department. That the department has not sanctioned cadet training in the schools, but has sanctioned the physical drill of the Strathcona trust and nothing else.

The last week of the legislative session I asked a series of questions re the Strathcona trust and the cadet movement. Three questions the department could not answer, so they wrote to the inspector of cadets for the information. The correspondence is enclosed herewith, and I send it so that you may see the exact situation, and then return it to me for further service.

Clearly the situation stands thus:

a. The military authorities are in our schools, saying that they have the sanction of the department, when such is not the case.

b. The Department of Education has no official knowledge as to what they are doing in the schools.

c. The military authorities here refuse to give any information to the department re the cadet movement.

The first letter is addressed by the Deputy Minister of Education to Captain J. Wills Chandler, Inspector of Cadets, Fort Osborne Barracks, Tuxedo, Manitoba, and asks that the statement should be forwarded containing the information asked for below:

1. The number of school principals or teachers in the province who are cadet instructors.

2. The amount of their remuneration by the federal government individually per annum.

3. The number of schools in the province where cadet training is in force, and the number of cadets.

To which J. Wills Chandler, District Cadet Officer, Military District No. 10 replied on the 8th April, as follows:

I beg to acknowledge receipt of your letter of the 7th instant and am directed to state that the information required will be prepared as soon as possible.

Apparently the information was not forthcoming. The Deputy Minister of Education wrote again on the 7th May as follows:

With reference to my letter of April 7, and your acknowledgement of April 8, I beg to say I have not yet received the copy of your statement as requested therein. I shall be glad to have this at an early date if possible.

Then on the 18th May, the following letter was sent to the Deputy Minister of Education:

I am directed by the District Officer Commanding to acknowledge receipt of your letter of the 7th instant in connection with information re cadet services and to state that it is regretted that this cannot be supplied.

Yours truly,

J. WILLS CHANDLER,
Captain.
District Cadet Office,
Military District No. 10.

So here apparently we have the educational authorities in that particular province, without any definite information with regard to what is going on in the schools and unable to get that information.

Mr. MACDONALD (Pictou): On that point, my hon. friend wanted some corroboration of the statement I made to the House that training only went on in such schools as sought to have the training there, and the request was approved of by the educational authorities of the province. I have asked my deputy who is here, in regard to the matter, and he states that that is the rule. I also asked the hon. member for Rimouski, who was deputy minister for a number of years, and he says that that is exactly the rule, and I want to remind my hon. friend that if the Deputy Minister of Education in Manitoba wanted to get the information he should have written to the Deputy Minister of National Defence, without writing to a subordinate who had no authority in the matter.

Mr. WOODSWORTH: The proper thing was to write to the person who was invading the schools of the province—

Mr. MACDONALD (Pictou): No, that is not the proper statement. He went to the schools at the request of some of the authorities in Manitoba—

Mr. WOODSWORTH: The minister stated that the Minister of Education must ratify the application.

Mr. MACDONALD (Pictou): The hon. member knows very well that if I used the word "Minister of Education" I meant the Superintendent of Education or the party in control. In my province there is no Minister of Education, but there is a Superintendent of Education, and he is the one to whom the application should be made.

Mr. WOODSWORTH: The deputy minister in Manitoba knows nothing about the matter—

Mr. MACDONALD (Pictou): If he had written to my deputy he would have known all about it.

Mr. WOODSWORTH: I should like to have information as to the date on which the

province of Manitoba gave permission to conduct military training in the schools of Manitoba.

Mr. MACDONALD (Pictou): My hon. friend does not catch the point—

Mr. WOODSWORTH: I should like to know the date on which the Minister of Education of the province of Manitoba gave permission to have cadet training in the schools of Manitoba.

Mr. MACDONALD (Pictou): My hon. friend knows very well we have not the information here, but I shall be glad to get it for him. The educational authority in Manitoba writes to the Department of National Defence approving—

Mr. WOODSWORTH: Just to be specific, who is the educational authority?

Mr. MACDONALD (Pictou): If my hon. friend will permit me: Each application has to be dealt with. My hon. friend wants to know on what particular date this approval was given. That means on some particular date that a school in Manitoba applied to have cadet training. That cadet training was approved by the educational authority in Manitoba. That record is in my department and I will give it to my hon. friend.

Mr. WOODSWORTH: I asked for this record on June 4, before these military estimates were to come up, and the information was not available. I would suggest to the minister that instead of writing to one particular school, putting pressure upon the principal and then getting the principal to consent to such an arrangement, the proper course would be to interview the authorities in charge, that is, the Minister of Education of each province. I understood the Minister of National Defence to say a few minutes ago that the Minister of Education must ratify each application. Apparently this has not been done.

Mr. SNOWBALL: Is that the same minister who has been there since Manitoba has been established or since the start of the cadet movement?

Mr. WOODSWORTH: No.

Mr. SNOWBALL: It is a different one?

Mr. WOODSWORTH: Yes, but the present minister apparently has not the information, nor can he obtain it from the local authorities.

Mr. SNOWBALL: From what local authorities?

[Mr. Woodsworth.]

Mr. WOODSWORTH: From the local authorities of the Department of National Defence. I read the letter which the district cadet officer sent:

> I am directed by the district officer commanding to acknowledge receipt of your letter of the 7th instant in connection with information re cadet services and to state that it is regretted that this cannot be supplied.

And this is the information which was requested to be sent:

> 1. The number of school principals or teachers in the province who are cadet instructors.
> 2. The amount of their remuneration by the federal government individually per annum.
> 3. The number of schools in the province where cadet training is in force, and the number of cadets.

The district officer commanding has the assurance to reply to the Deputy Minister of Education of the province of Manitoba that this information cannot be supplied.

Mr. SNOWBALL: Why does he not look it up in his department?

Mr. WOODSWORTH: It is not in his department.

Mr. SNOWBALL: How does the hon. member know that?

Mr. WOODSWORTH: So he says.

Mr. MACDONALD (Pictou): My hon. friend said that in certain questions he asked he wanted to know when the first cadet corps were started in Manitoba. I have the questions before me and my hon. friend has no such question that I can find. I am in the judgment of every hon. member of this committee when I remind my hon. friend that what I say is absolutely correct, that the deputy minister of any department of any province of this Dominion who wants to get information about defence matters or any other matters, should write to the deputy minister of the department at Ottawa for the information. If the provincial deputy minister had done so, he would have received the information long ago.

Mr. WOODSWORTH: I would say that according to the British North America Act, which some hon. gentlemen are so fond of quoting on occasion, that educational matters in each province are entirely within the jurisdiction of that province, and the educational authorities should not need to write somewhere else in order to find out what is going on in the schools of that province. As regards my question, an order for a return was issued to the proper officer of the department on June 4. No. 7 of this reads:

> Whether the consent of the Department of Education in each province was secured before this cadet system

was introduced into the schools of the province? If not, what provinces have given their consent, and when?

I asked that information on June 4 and that has not been supplied. I would suggest that when I asked for that information, the minister, since as he states, he has all the information in his office, might at least furnish it to a member of the House.

Mr. MACDONALD (Pictou): I shall undertake to give that to my hon. friend tomorrow.

Mr. WOODSWORTH: Thank you. I have nothing further to add on the general subject which is before the committee. I think the ground has been well covered by previous speakers who are opposed to this cadet training. I would urge that there are many people throughout this country, at least in my province and among the people whom I more particularly represent, who have expressed themselves very decidedly as opposed to this cadet training. I would suggest further that those of us who have any training whatever in educational work, cannot concede the point that a boy is apt to become a sissy if he has not had military training. I do not believe the boys who have become the men in Canada in the past and who have very largely founded this country of ours, have had military training in days past. This is a new policy for us, and we may well pause before fastening permanently upon Canada anything that will tend in any way to promote militarism or to drag us into any future war.

Mr. SPENCER: I wish to place before the committee the views of a very large part of the population of Canada. I have in my hand a resolution that has been submitted by the Canadian Council of Agriculture representing the organized farmers of Quebec, Ontario, Manitoba, Saskatchewan and Alberta. It reads:

Cadet training

Whereas the cadet corps reaches only a small percentage of boys, and whereas practically no provision is made for the physical training of girls under this scheme, and whereas, the cadet corps is expensive considering the number of pupils reached, averaging about $5 per cadet, this being necessary because of the very considerable expenditure required. Whereas, the cadet corps syllabus is not satisfactory educationally in that it includes elements of little or no value from the standpoint of maintaining physical health of children, and negatively in that it omits elements which are of great value, both for the child and as a means of fostering permanent health habits in adult life, and Whereas, the cadet corps programme can never have the endorsation of the public as a whole, since it is objected to by some parents in every community, and the children of such parents are deprived of any physical training, and also since it is most important that the course in physical education should be taken by all who are physically capable of doing so, and Whereas, Departments of Education have courses outlined, in physical education, eliminating the undesirable features of cadet work, and providing health activities in accordance with present day ideals, and inasmuch as the Department of National Defence sets aside a sum of money for cadet training, and this allotment, according to the present Minister of National Defence is intended for physical education, and not for militaristic training:

Therefore, be it resolved:

1. That the words "cadet training" be deleted and the words "physical education" be substituted in the estimates;

2. That this grant be turned over to the provincial Department of Education to administer.

Mr. IRVINE: Might I suggest to the hon. gentleman that it would be better to send a special message with the resolution to the Minister of National Defence because he did not hear it read?

Mr. SPENCER: I shall be glad to hand this copy to the minister if he wishes to have it, but I believe he has one. I should be glad if the Minister of National Defence would see his way clear to accept this resolution. If not, I shall be obliged to support the amendment.

Amendment (Miss Macphail) negatived: Yeas, 27. Nays, 64.

Item agreed to.

Manufacturing establishments, $420,000.

Mr. GARDINER: Where are these establishments?

Mr. MACDONALD (Pictou): There are two, the Dominion arsenal at Quebec and the one at Lindsay. The one at Lindsay is not in operation.

Mr. GARLAND (Bow River): How many employees are engaged in each?

Mr. MACDONALD (Pictou): There are 250 at Quebec and four caretakers at Lindsay.

Mr. SPENCER: Are there any private munition factories in Canada?

Mr. MACDONALD (Pictou): No.

Mr. SPENCER: Is it the intention of the government to allow the private manufacturing of munitions

Mr. MACDONALD (Pictou): That matter has not been considered.

Mr. GARDINER: What are they manufacturing at Quebec?

Mr. MACDONALD (Pictou): General munitions for use in training and for rifle shooting.

Mr. SPENCER: Is Canada exporting any munitions?

Mr. MACDONALD (Pictou): No.

Item agreed to.

Non-permanent active militia, $1,610,000.

Mr. WOODS: I am not in favour of this vote. I have said the same thing in this House before. To my mind this money is practically wasted because it seems to me that it is used merely for the purpose of providing some officers with an outing. In my opinion the men who enlist in this force go into training for a week or two, not from patriotic or even military motives but to have an outing of this kind. I do not think that it makes for the development of soldiers; it is only a means of giving these men an outing for a little while in the summer. In the supplementary estimates this year another $100,000 is added to this vote. I am opposed to this expenditure and I therefore move that the vote be reduced by $500,000.

Mr. MACDONALD (Pictou): My hon. friend is not fair to these officers and men. In the cities the organizations are kept up by the generous contributions of the officers themselves who spend freely of their own money to maintain them. We are carrying on this force in Canada at a minimum cost. It is a mere skeleton but we must maintain it in the interests of the country, and I am sure the committee will not consider the motion.

Mr. BRETHEN: Do they examine the men who enlist to ascertain whether they are physically fit?

Mr. MACDONALD (Pictou): The medical officer in charge of the camp examines them.

Amendment negatived.

Item agreed to.

Permanent force, $4,800,000.

Mr. NEILL: I desire to explain to the committee the case of some permanent men who were in the British army before enlisting with us. There are 149 of them and they claim they have not received all the justice that was coming to them. In the British service they enlist for a period of years with the colours and so many with the reserve, with permission to carry on in the reserve until they have put in twenty-one years when they are eligible for a considerable pension. It appears that these men after putting in a term of years in Great Britain came over here and were taken on our permanent force, and they have made valuable instructors; an Old Country battalion or company sergeant-major makes a capable instructor. They were taken on with the distinct understanding from the British government that they would be recalled to the colours should war break out and thus were compelled to sign in their attestation paper an answer to the following question:

Do you understand that enlistment in the permanent force does not involve your discharge from the army reserve, but, if required for duty as an army reservist, you will be discharged from the permanent force?

When the war broke out the British government notified them to join the colours but the Canadian authorities interfered. They said that these men were valuable to us and they asked permission from the British authorities to retain them. The British authorities gave their consent, but they coupled with it a condition that they be absolved from any further liability for pensions and that the Canadian government should take care of any claims in this regard. The men were not consulted as to whether they wished to rejoin their regiments in Britain or not, they were kept in Canada under military discipline, so to speak. As a result, after the war they found they were ineligible for their pensions from the British government, and they were only eligible for very short term pensions in the Canadian service. They also lost the advantages of promotion, and so forth, and they lost a very long period that they had served towards British pension. Their claim is that, under the circumstances, the period they put in with the British army should be counted towards their pension in the Canadian army. For instance, if a man served twelve years in the British army and five years here, he would now only be entitled to five years pension, whereas had he been discharged and gone back to his regiment, he would now have to his credit seventeen years for the British pension. It is a well-known axiom of law dealing with soldiers that, as they are under discipline, their pay or allowances shall not be taken from them without their permission. A civilian can leave his employment if he does not like the conditions, but a soldier has no option. While it is not a very important matter—there are only 149 men concerned—I think the government might well consider whether they should not meet the claim of these men. They have, inadvertently perhaps, been done an injustice.

Mr. MACDONALD (Pictou): The matter has been called to my attention, but I found

the position to be this. Immediately after the war the Militia Pension Act was amended by the government of the day, having in view all the conditions that were supposed to exist at the time; two years ago the act was again amended; but in neither case was provision made for these men. It would be necessary to have a further amendment of the act in order to permit the remedy to be applied which my hon. friend desires, and I have not felt it possible to introduce such an amendment at this session. However, the matter will be considered in the meantime.

Mr. CLARK: Mr. Chairman, I endorse what the hon. member for Comox-Alberni (Mr. Neill) has said. I think provision should be made at an early date to look after these men, because many of them have now served well over twenty years, ten or twelve of which service was in the imperial forces and is lost to them for pension purposes. There are also several other cases quite different from that mentioned by the hon. member, and these I think might well be considered when the Pension Act is again being amended. For instance, if an officer in the permanent force who graduated from the Royal Military College dies after seventeen years service, his widow and children get no pension, and the service at the college does not count. I will take an opportunity of laying this and other specific cases before the minister.

Mr. MACDONALD (Pictou): I shall be very glad to receive representations from my hon. friend.

Mr. CARMICHAEL: How is the permanent force distributed in regard to provinces? And what is the proportion of money paid to the officers and to the men respectively?

Mr. MACDONALD (Pictou): The permanent force in Canada consists of the following units: Royal Canadian Dragoons, Lord Strathcona's Horse—located in Winnipeg—Royal Canadian Horse Artillery, Royal Canadian Engineers, Royal Corps of Signallers, Royal Canadian Regiment, Princess Patricia Canadian Light Infantry,—also located in Winnipeg—Royal Canadian Army Service Corps, Royal Canadian Medical Corps, Royal Canadian Ordnance Corps, Royal Canadian Army Veterinary Corps, Royal Canadian Army Pay Corps; also the corps of military staff clerks and the Canadian school of small arms. Altogether there are 324 officers and 2,885 men. There are eleven districts, one each in Nova Scotia and New Brunswick, two in Quebec, three in Ontario, and one each in Manitoba, Saskatchewan Alberta and British Columbia. The permanent force is located in British Columbia, Manitoba, Ontario, Quebec and Nova Scotia. A small number of men is attached to the commander of the military district in each of the other provinces.

Mr. EVANS: This is a very large item, and sometimes I wonder from the reports I receive whether it is economically spent. I would draw the attention of the minister to the following letter, dated March 15, 1925, received by me from a correspondent in Elkhorn, Manitoba:

I wonder if you people down there know what is happening out here in regard to military affairs. We have a very glaring case of mismanagement here, as follows:

A few weeks ago it was arranged to have a military school here at this point. There arrived here an officer and sergeant-major who immediately began to recruit men for the Border Horse, and it is a disgrace the recruits that are being enrolled—boys sixteen years of age, men that are cripled and ruptured, men with large families who, I feel sure, are over military age. There is no medical examination, if so, it is a farce. There is not 10 per cent of the men enrolled who would be fit to go to war. It looks like a criminal waste of public money, and I think there should be something done in the matter. Every statement in this letter can be proved to be correct. I might state that the people here have christened the outfit, "Cox's Army".

Mr. MACDONALD (Pictou): That cannot be the permanent force. We have a very well qualified group of medical men in the medical corps. No man is permitted to enter the permanent force until he has passed a very thorough medical examination. What is referred to in the letter must have been for some other purpose altogether. If my hon. friend will send me the communication I will take steps to inquire into the statements made by the writer.

Mr. HOEY: Is there a regiment of that name?

Mr. MACDONALD (Pictou): I do not recall the Border Horse. Certainly it is not a part of the permanent force.

Mr. FORKE: There used to be a regiment of that name before the war in the tenth military district. It was a militia unit.

Mr. WOODSWORTH: I have had representations on several occasions from the Winnipeg Musicians' Association with regard to the employment of military bands. I believe there are instructions that these military bands must not enter into competition with civil bands, but it is said that the regulation is evaded in this fashion:

Whenever an employer wants the Princess Pats band the officer obtains a written statement from employer that no other band is considered, and with this covers the point that there is no competition, as no other band is considered.

That is clearly an evasion, if it is true, of the regulation. It is stated further that this band takes part in very important and remunerative engagements. It says here that the Princess Pats band officers manipulated this so that their band could take over the exhibition, an engagement for two weeks, and thus shut out the civilian bands. I think all of us in Winnipeg recognize the excellence of the Princess Pats band; there is no question about that whatever. It is a popular band, and as citizens we owe a great deal to it for the services it has rendered. But it does not seem right that a military organization should come into competition in this way with civilian bands and thus put civilians out of the way of earning their living. These are professional musicians who earn their money by playing and I would urge that the regulation be made more stringent so that this competition may be eliminated.

Mr. MACDONALD (Pictou): I am at present looking into this matter. It was called to my attention by a delegation of musicians who came from Winnipeg.

Mr. HOEY: Do the military bands make a charge for their services?

Mr. MACDONALD (Pictou): I assume they charge when they do work outside.

Mr. WOODSWORTH: It is stated that the chief trouble lies in the fact that the officers of the regiment are without any government contributions toward the upkeep of the band, and so are exploiting the band for creation of these funds.

Mr. POWER: In 1919, I think it was, the new scale of pension regulations for officers of the permanent force came into effect. Officers and warrant officers who, though they had had a long service with the Canadian permanent force, retired previous to that date received a much lower scale of pensions than those retiring subsequently. During this session the Minister of Justice (Mr. Lapointe) introduced legislation whereby officers and others of the Royal Northwest Mounted Police who had been retired prior to a certain date should be placed in the same category as those now retiring. I think it is only simple justice that those who have served, for instance, in the Northwest rebellion and in the South African war should have their pensions brought up to the same scale as those who have been retired since the recent war. I know the minister cannot introduce any provision for that in the estimates this year or bring down any legislation, but I would ask him to instruct the officers of his department to make some study of the question in order that this discrimination may not continue.

Mr. MACDONALD (Pictou): I shall be very glad to see that an investigation is made.

Mr. CARMICHAEL: The minister stated a few moments ago that there were 324 officers in the permanent force and 2,885 men, or one officer for a little less than nine men. I wonder if the permanent force is not top heavy with officers. What proportion of this total sum was paid out to officers and what proportion to men?

Mr. MACDONALD (Pictou): A return was laid on the table of the House to-day giving that information in detail. Although the force has been reduced, it is necessary to maintain more officers than would otherwise be necessary because they are the men who carry out the instructions for the militia.

Mr. CARMICHAEL: Representations have been made by military men that an amalgamation of the three military districts which are established in Manitoba, Saskatchewan and Alberta respectively might well be made, with a resulting saving of overhead expense. Has the minister considered that matter?

Mr. MACDONALD (Pictou): Some representations have been made to me in that connection. I am considering the matter very seriously.

Mr. SHAW: What is the present status of the investigation that was held at Winnipeg into the matter of some scandal in connection with a coal deficiency, and also with regard to charges made as to improper conduct in relation to the purchase of horses?

Mr. MACDONALD (Pictou): Certain charges were made in regard to sales of coal made to this department, I think in 1921-22. They were investigated by Mr. Campbell, who made a report thereon. That report was referred by our department to the Justice department for action, and I am advised by the Justice department that they have retained counsel with instructions to prosecute either civilly for the purpose of obtaining restitution, or, if necessary, criminally. The matter is now in that position.

Mr. SHAW: What was the amount of the deficiency found to be, and what is the status with respect to the charges as to irregularities in the purchase of horses?

Mr. MACDONALD (Pictou): All the papers in connection with the coal matter were laid on the table of the House a few days ago. My recollection is that there were

allegations as to false deliveries of coal and false weighing, and that the amount involved would be something like $50,000 or $60,000. Colonel Poussette, who was one of the officers alleged to be connected with the matter, has been suspended. As to the matter of the horses I have not that information but I will see that my hon. friend gets it before he goes away.

Mr. WOODSWORTH: How many officers have the rank of general in Canada?

Mr. MACDONALD (Pictou): Fourteen. These men have not been made generals by me; the great majority of them received their ranks as the result of service in the war.

Mr. WOODSWORTH: What is the total amount paid annually in salaries to these fourteen generals?

Mr. MACDONALD (Pictou): Because a man happens to be a general it does not mean he gets a bigger salary than anybody else. It is the position that gets the pay, not the rank.

Mr. LEWIS: Are these fourteen generals on the permanent force now?

Mr. MACDONALD (Pictou): Yes. Each one of the officers in command of a district holds the rank of general.

Mr. WOODSWORTH: Perhaps the minister could tell me whether it is correct that the total salary of these fourteen generals is $90,000.

Mr. MACDONALD (Pictou): I have not the information classified in such a way as to tell my hon. friend right off. But I will be glad to get that information and give it to my hon. friend.

Mr. WOODSWORTH: The salaries range from $9,000 down. Is that correct?

Mr. MACDONALD (Pictou): Yes. The only one at $9,000 is General MacBrien.

Mr. WOODSWORTH: How many officers are authorized in each district?

Mr. MACDONALD (Pictou): They range from three in some districts to five in others.

Mr. HUMPHREY: How many officers are there of all ranks in British Columbia?

Mr. MACDONALD (Pictou): We have three staff officers in British Columbia. I have not the exact number of men at hand.

Mr. WOODSWORTH: Do I understand there are only three officers altogether, not merely staff officers but any officers giving service?

Mr. MACDONALD (Pictou): Oh no.

Mr. WOODSWORTH: How many officers are there altogether in each district?

Mr. MACDONALD (Pictou): In the London district, 21; Toronto, 46; Kingston, 37; Quebec, 29; Halifax, 49; St. John, N.B., 9; Winnipeg, 52; Victoria, 30.

Item agreed to.

Transport and freight, $160,000.

Mr. WOODSWORTH: Does this include the touring cars used by the officers?

Mr. MACDONALD (Pictou): It includes any motor transport that is used in each of the military districts.

Mr. WOODSWORTH: How many touring cars are there used by officers?

Mr. MACDONALD (Pictou): One car in each district, except the larger districts. There are two in Winnipeg, and two in Toronto, but in the western districts there only one.

Item agreed to.

Naval Service—to provide for the maintenance of the ships and establishments of the Naval Service, including the Royal Canadian Navy, the Royal Canadian Naval Reserve and the Royal Canadian Naval Volunteer Reserve, $1,400,000.

Mr. GARDINER: How much was spent under this vote last year?

Mr. MACDONALD (Pictou): The whole amount.

Mr. GARDINER: How many vessels were there in commission?

Mr. MACDONALD (Pictou): On the eastern coast we have the Patriot, and the mine sweepers Ypres and Festubert. On the Pacific coast we have the Patrician, the Armentieres and the Thiepval. In addition to that we have the Aurora, which is not in commission, and the two submarines which are not in commission.

Item agreed to.

Canadian Air Force—maintenance of air stations, operations, air force training, control of civil aviation and air research, $1,140,000

Mr. ROSS (Kingston): Has the department given a promise or made an engagement in any way to sell Borden camp and open a new camp in some other part of the province?

Mr. MACDONALD (Pictou): The officers of the Air Force have made a report to me that the buildings at Camp Borden are deteriorating in value. In addition to that, as

we all know, some of the buildings were burnt down last year. The officers have also reported that seeing that hydroplanes were coming into almost universal use, and would be more useful in the prosecution of their work it might be advisable to move them to some other place where they would be closer to the water, but no action has been taken in regard to the report.

Mr. ROSS (Kingston): No promise has been given?

Mr. MACDONALD (Pictou): No. The air officers have been looking at Deseronto, but no action has been taken. I do not understand what my hon. friend means about a promise.

Mr. ROSS (Kingston): I have a letter here which speaks as if a promise had been given, and the matter was to be kept very quiet or it would not go through.

Mr. MACDONALD (Pictou): If it was going through at this time, I would have to come to parliament for a vote, and I am not asking parliament for a vote.

Mr. HOEY: How much of this vote is spent on aeroplanes and hydroplanes engaged in forestry patrol?

Mr. MACDONALD (Pictou): All these planes are available for that purpose, and they are being used entirely for purposes of that kind. A certain portion of this amount is used for training and the maintenance of the air stations. The planes are used for various purposes. For instance, for the Forestry branch, Department of the Interior, 1,422 hours of flying time were consumed last year; for Topographical Surveys branch, 477 hours; Water-Powers branch, 10 hours; National Parks branch, 15 hours. There was also some flying done for the Department of Indian Affairs, for the Department of Marine and Fisheries in connection with fishing matters in British Columbia, for the Department of Agriculture, the Department of Customs and for the provincial government of British Columbia, but the greater proportion of the work is done for the Department of the Interior in connection with forestry. It is rather difficult to allocate the cost.

Mr. HOEY: How many planes are engaged in that work in the province of Manitoba in the forestry patrol work?

Mr. MACDONALD (Pictou): Thirteen.

Mr. GARDINER: Is this for the whole service?

[Mr. E. M. Macdonald.]

Mr. MACDONALD (Pictou): For the whole service. We do not charge the department for whom we operate any money.

Item agreed to.

Purchase of aircraft, technical equipment and provision of ground services, $740,850.

Mr. GARDINER: How many aircraft do you propose to put on this year?

Mr. MACDONALD (Pictou): Ten aircraft and we propose to recondition twelve admiralty planes.

Mr. GARDINER: Are they built in Canada?

Mr. MACDONALD (Pictou): Yes.

Mr. GARDINER: What is the average cost?

Mr. MACDONALD (Pictou): They vary in cost according to type from $12,000 to $20,000.

Mr. STEWART (Humboldt): How many aircraft were wrecked or seriously damaged in operations last year?

Mr. MACDONALD (Pictou): No accidents occurred and there was no loss of life. There may have been some small injuries caused but nothing of a serious character occurred; no plane fell.

Mr. GARDINER: What is the average life of an aircraft?

Mr. MACDONALD (Pictou): Five or six years.

Item agreed to.

Establishing and operating wireless stations, including buildings, etc, $129,000.

Mr. GARDINER: How many wireless establishments are there?

Mr. MACDONALD (Pictou): Four.

Mr. GARDINER: Where are they?

Mr. MACDONALD (Pictou): Dawson, Mayo, Aklavik and Fort Simpson.

Mr. GARDINER: Are they used exclusively for the National Defence department?

Mr. MACDONALD (Pictou): No. The connection with my department is this: They are really for the Department of the Interior, but owing to the facilities which we have in the National Defence department for the purpose of erecting stations, they utilize my department for the work. They are operated by the Minister of the Interior.

Mr. HOEY: Is there a station at Norway House, or has that been abandoned?

Mr. MACDONALD (Pictou): No, not yet.

Mr. HOEY: There was one there; it must have been abandoned.

Mr. MACDONALD (Pictou): I think it is an air station.

Mr. HOEY: No, wireless. I have been in it.

Mr. MACDONALD (Pictou): Then it was in connection with the air.

Item agreed to.

To provide for Canada's proportionate share of the expenditure made by the Imperial War Graves Commission, $475,000.

Mr. MACDONALD (Pictou): This is Canada's share of this expenditure.

Mr. GARDINER: Could the minister tell what condition these war graves are in?

Mr. MACDONALD (Pictou): All the graves of the boys overseas are being looked after by an imperial commission, of which Sir Fabian Ware is the chairman. He expects to come to Canada next year, and to give the country information everywhere, by moving pictures and lectures, showing the position of the various graves and cemeteries overseas. Our share of the matter, so far as the money is concerned, is that we pay to the central commission of the whole empire a certain proportion of the cost of the graves. We have nothing to do with the expenditure directly.

Mr. GARDINER: Have we not a representative on the commission?

Mr. MACDONALD (Pictou): Yes.

Mr. CARMICHAEL: What has been done by this imperial commission in the way of taking care of the graves after they are marked out?

Mr. MACDONALD (Pictou): The situation is that this commission gather the bodies of the boys and locate them in a cemetery in the vicinity, as near as possible, to where they had fallen. I happened to be in Great Britain last year and visited a number of the cemeteries, and I can assure the committee that the care of them by this commission is most efficient, and everyone in Canada can feel sure that the care of the dead has been regarded as a most sacred duty by them, and has been attended to in a most careful way. They collected them all in the various cemeteries, and decorated the graves with leaves and flowers.

Item agreed to.

Adjustment of war claims—National Defence—military services, $400,000, naval services, $25,000.

Mr. GARDINER: What claims are these that have to be adjusted?

Mr. MACDONALD (Pictou): Since the war quite a number of claims between Great Britain and this country have arisen with regard to various matters and they have still remained unsettled. This vote is purely a precautionary vote which may not be called upon. It has been renewed from year to year and some adjustmnts have been made.

Sir HENRY DRAYTON: Nothing was spent in that regard last year?

Mr. MACDONALD (Pictou): Not to my recollection. Claims are made, for instance, in regard to war gratuities and matters of that kind, the details of which I cannot recollect at the moment, and they are paid out of this vote. It may seem strange that seven years after the war there should be claims by those entitled to gratuities, and one would have thought they would have got the money but claims are continually coming in.

Mr. GARDINER: Are many claims outstanding between this country and Great Britain?

Mr. MACDONALD (Pictou): Yes. Some have yet to be adjusted.

Mr. SPEAKMAN: Have these claims any relation to the work carried on by the late Mr. Pugsley?

Mr. MACDONALD (Pictou): They have nothing to do with that.

Mr. SHAW: Has any claim been made by the republic of France against this government for anything for pensions, or would that be charged to the Imperial government?

Mr. MACDONALD (Pictou): We have had no such claim.

Mr. HUMPHREY: Has any consideration been given to claims of Canadians who enlisted during the past war and who lost to some extent on the rate of exchange between this country and Great Britain?

Mr. MACDONALD (Pictou): Yes.

Mr. HUMPHREY: Has any decision been arrived at by the department in that connection?

Mr. MACDONALD (Pictou): No. I remember a case of that kind being before me a short time ago but it has not been decided. I have not had time to go into the details.

Mr. HUMPHREY: Has the department received many claims in regard to the difference in the rate of exchange?

Mr. MACDONALD (Pictou): With the exception of one case, I do not recall any such claims having come before me since I became minister. I understand many were made before, but they have been adjusted.

Item agreed to.

Military services—to provide for payment to the Governors of McGill University of revenue derived from property on Lorne crescent in the city of Montreal, donated to the crown by the late Lord Strathcona as a site for an armoury for McGill University, $16,918.90.

Mr. GARDINER: Will the minister explain this item?

Mr. MACDONALD (Pictou): Quite some time ago Lord Strathcona before he died donated to the crown in the right of the Department of National Defence five houses in Montreal on the understanding that an armoury would be erected thereon for McGill University. No action, however, has ever been taken by the crown to erect the armoury in question. This donation was made in 1914, and as the governors of the university prefer to erect a building which will contain a drill hall on their own land, the property donated by the late Lord Strathcona was returned to the trustees of his estate by special grant dated November 14, 1923. During the time that this property was in the possession of the crown, they received $25,824.62 by way of rent for which there were disbursements for maintenance, repairs and taxes of about $8,000, leaving a balance of $16,918.90. As we were not carrying out the condition of the trust, the money naturally had to be paid back.

Item agreed to.

Non-permanent active militia—further amount required to provide for the resumption of artillery practice for mobile artillery at practice camps, Petawawa, Hughes and Sarcee, $100,000.

Mr. FORKE: Some time ago when I had an opportunity of saying a few words in regard to the military estimates, I stated that I did not intend to support another single dollar in regard to those estimates. We have passed all the main estimates, and I find in the supplementary estimates the sum of $253,418.90. Perhaps this item that we have now come to is the best place for me to make my protest against this addition to the military estimates. I do not think for one moment anyone in this House is in favour of war. The only difference between us is as to what we should do as regards military expenditure. Canada occupies a unique position in the world at the present time. She has an opportunity to lead the nations in the ways of peace. No country in the world is less menaced by war than our own Dominion. The North American continent, perhaps, will lead the way in regard to peaceful pursuits and show an example to the older world in regard to what can be accomplished by peace, goodwill, a proper understanding, trust-worthiness and good feeling between nations. At this late hour I am going to content myself with moving that this item be reduced by $99,000.

Mr. MACDONALD (Pictou): As I explained when my estimates were before the committee on the first occasion, it was absolutely necessary, in order to prevent the artillery companies from disbanding, that they should be given an opportunity of drilling this year, which opportunity they had not had for two years. The situation as regards artillery is different from that with regard to infantry. The artillery companies have to be brought, with their guns, to a place where the guns can be fired safely. Certain places have been provided in Canada as practice camps, first at Petawawa in northern Ontario and at Hughes and Sarcee camps in the west. This arm of the service is very important. There was a danger of its disbandment if nothing were done at all this year, and I stated at that time that I proposed to ask for this amount. It is absolutely necessary in order to keep this service of the country in any kind of decent shape.

Mr. FORKE: It is not against the particular item but against the practice of bringing down large amounts in the supplementaries that I am speaking.

Mr. GARDINER: In view of the fact that gas will be used in the next war does the minister think it necessary that we should spend considerable money on artillery?

Mr. MACDONALD (Pictou): Artillery will always be an important factor in war, and the League of Nations is of the view that civilized countries will agree not to use gas.

Item agreed to.

Naval service—further amount required to replace stores destroyed by fire, $20,000.

Mr. GARDINER: Where did these fires occur?

Mr. MACDONALD (Pictou): Several fires of a most suspicious nature have occurred in the last three or four months, some at Borden, one at Winnipeg and two serious fires at Esquimalt. The damage at Esquimalt

amounted to $220,000 and at Winnipeg to about $120,000. I have not the detail in regard to Borden.

Mr. SPENCER: Did the government carry insurance?

Mr. MACDONALD (Pictou): No.

Item agreed to.

General services—amount required towards the construction of a magazine and other buildings and services in connection therewith, at Bedford Basin, Halifax, N.S., for the joint use of militia and naval services, $50,000.

Mr. WOODS: Is this a new undertaking?

Mr. MACDONALD (Pictou): No, it was initiated last year. Halifax is one of the old fortified cities and large quantities of ammunition have been stored there. The fort is in the immediate vicinity of the Imperial Oil Company's works and there is grave danger of explosion. The city of Halifax was half destroyed during the war as a result of an explosion and representations have been made by the citizens and various public bodies to have the new works constructed in a safe place where there will be no danger from any explosion. The land has been expropriated and this is to complete the undertaking.

Mr. GARDINER: What is the cost of the land?

Mr. MACDONALD (Pictou): The amount we offered was $5,000.

Item agreed to.

Grant to the Women's Wentworth Historical Society to complete Stoney Creek tower, $500.

Mr. GARDINER: What is this for?

Mr. MACDONALD (Pictou): This is to prevent the monument from falling into disrepair.

Item agreed to.

HOUSE OF COMMONS

Legislation—Library of parliament, $73,620.

Mr. SHAW: Has any progress been made towards adopting a proper cataloguing system in the library? It is important that this work should be undertaken. I want to bear my testimony to the efficiency of the library staff. I have had occasion to use the library a great deal and I want to pay my compliments to the officers in charge, but I do think that their work would be much facilitated if parliament authorized and undertook a proper cataloguing system.

Mr. SPEAKER: I am glad to hear the remarks of my hon. friend. We have indeed a modest but intelligent and efficient staff in the library. I may inform the hon. member that we had a meeting of the Library Joint committee not more than three weeks ago when this very question came up, and the step suggested has already been taken. We shall have a better index than the one we have had for the last two or three years; it will be considerably improved. During the past year I authorized the librarian to send an assistant on a visit to two or three of the largest libraries on the continent to investigate the most modern methods of indexing. I may say that the Hon. Mr. Burrell and Mr. Tache, with their valuable assistants, conduct the library in a very efficient manner.

Mr. POWER: Mr. Chairman, I should like to impress upon the House and the government the absolute need of enlarging the library. I know it is impossible to ask the government to add anything to the estimates, but hundreds and hundreds of books are downstairs rotting away in the vaults, and if present conditions continue very valuable documents and books will be destroyed. I wish to add my tribute to that of the member for West Calgary (Mr. Shaw) and His Honour the Speaker as to the efficient staff; they are performing admirable work under most trying conditions. A much larger sum should be voted for housing the books we have and for adding to the library.

Mr. SPEAKER: The question came up at the last meeting of the joint committee of the Senate and the Commons, and we have been able to reclaim—if I may use that expression—much of the parliamentary territory from the Senate. It is true indeed that many of the books are stored in the vaults, but we have made a point of putting on the shelves downstairs collections of old papers, very valuable for the data they contain, but not of practical everyday value, and we have set on the shelves of the library proper the books that are most needed. The enlarging of the building is a live question, but in the present financial condition of the country, I do not think it would be wise to spend more money for this purpose. In years to come, when there are surpluses in the treasury, we may undertake the work. For the present we are doing pretty well with the accommodation at our disposal.

Mr. CARMICHAEL: If I remember correctly, the joint committee on the Library suggested that a change in the present library could very easily and cheaply be made by putting in an extra gallery to take care of the books for which there is now no further shelf room. Could not that be accomplished?

Mr. POULIOT: I would suggest that the wooden floor of the library be replaced with a concrete floor.

Item agreed to.

House of Commons—	
Salaries..	$228,185 00
Expenses of committees, clerical assistance, etc..	84,950 00
Contingencies..	44,735 00
Publishing Debates..	60,000 00
Estimates of Sergeant-at-Arms..	178,793 75
	$596,663 75

Mr. SPEAKER: It will be observed that there is a decrease in my estimates of $84,550. At the beginning of the session I appointed four translators from the Press Gallery. I selected these young men irrespective of their party leanings, and I have reports from the head of the branch that they are excellent translators. Their names should be included in the item.

Item agreed to.

General—	
Printing, printing paper and binding..	75,000
Printing, binding and distributing the annual statutes..	16,000

Sir HENRY DRAYTON: Was there not a question about some order in council as to printing?

Mr. SPEAKER: It was about the printing of the House of Commons. Some years ago the House agreed to pay 25 per cent of the cost of the blue books which are printed by the King's Printer. That question has been settled, and there is now no difficulty.

Item agreed to.

Legislation—House of Commons—	
To provide a gratuity to W. B. Northrup, M.A., K.C., on his retirement from the position of Clerk of the House of Commons in lieu of six months leave of absence and in accordance with Order-in-Council P.C. 2203, dated January 7, 1925..	$ 3,000
Clerical assistance to the Speaker, party leaders, whips, officials etc.—further amount required..	5,000
To provide for the full sessional indemnity of members of the House of Commons—days lost through absence caused by illness, official public business, or on account of death during the present session—notwithstanding anything to the contrary in chapter 10 of the Revised Statutes, an Act respecting the Senate and House of Commons, or any amendments thereto—payment to be made as the Treasury Board may direct..	25,850
	$33,850

Mr. SPEAKER: This is the usual vote to provide payment of full sessional indemnity to members of the House of Commons who have lost days through illness. Hon. gentlemen will observe that there is an item of $3,000 to provide a gratuity for Mr. Northrup, the ex-Clerk of the House. Mr. Northrup could hardly fill his post on account of deafness, so he accepted this gratuity, which represents a half year's salary. For many years he was a distinguished member of the House, and then he gave yeoman service as our Clerk. If he had been obliged to retire at the age of seventy, under the act passed last session, he would have received a little over $900 a year. I thought it was not proper that an old public servant like Mr. Northrup should be retired on such a small annuity, so, at my request, the House last year voted him a pension of $2,500.

Mr. McBRIDE: The families of those members who have passed away get the indemnities in full, do they?

Mr. SPEAKER: Yes.

Item agreed to.

Progress reported.

HOME BANK DEPOSITORS

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate acquainting this House that the Senate doth insist on its amendments made to Bill 182, an act for the relief of the depositors of the Home Bank of Canada, for the following reasons:

That the Senate in its action did not change the directing principle of the bill, which provided not for the satisfaction of a legal claim on the part of the creditors of the Home Bank, nor of a "moral claim in equity" which would have called for full payment of such claims but for a compassionate relief therefor limited to thirty-five per cent of the losses incurred; and for the further reason that the Senate has not in its amendments exceeded its well understood and long established rights in respect of money bills.

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That a message be sent to the Senate respectfully requesting a free conference with their honours to consider certain amendments made by the Senate to Bill No. 182, an act for the relief of the depositors of the Home Bank of Canada, to which amendments this House has not agreed and upon which the Senate insist, and any amendment which at such conference it may be considered desirable to make to said bill or amendments thereto.

That the Clerk do carry the said message to the Senate.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 1.25 a.m. (Thursday).

Thursday, June 25, 1925

The House met at eleven o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 220, respecting a patent owned by the John E. Russell Company.—Mr. Chevrier.

Bill No. 221, respecting a patent owned by the John E. Russell Company.—Mr. Chevrier.

Bill No. 203, for the relief of Elizabeth Ethel McSherry.—Mr. White.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BRITISH CATTLE EMBARGO

Mr. JACOBS:

1. When was the embargo on Canadian cattle lifted by the British government?
2. For what length of time was the embargo on Canadian cattle in force?
3. Since the lifting of the embargo how many cattle have been shipped to Great Britain?
4. What was the value of the cattle shipped by Canada to Great Britain since the removal of the embargo?
5. What sums were realized (a) by the Canadian railways; (b) by the shipping companies for the transportation of the cattle in question?

Hon. Mr. MOTHERWELL:

1. First of April, 1923.
2. Thirty years and five months.
3. Up to May 31, 1925, 156,875.
4. Estimated value in Canada, $14,135,715.
5. No information.

MR. RATHBONE

Hon. Mr. MANION:

1. Is Mr. Rathbone secretary of the Board of Grain Commissioners of Canada?
2. If so, what is his salary?
3. Is it any part of his duties to give interviews to the press telling the government's policy on grain matters?

Hon. Mr. LOW:

1. Yes.
2. $3,960 per annum.
3. No, nor has the department any information that he has done so.

RURAL CREDITS

FEDERAL ASSISTANCE TO AGRICULTURE—LONG TERM LOANS TO FARMERS

Hon. J. A. ROBB (Acting Minister of Finance) moved the second reading of Bill No. 237 to authorize advances to assist agriculture by providing for long term farm loans.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, before this bill is read the second time, will the government say that it is the only legislation of the kind that they have in mind, and if they intend to christen it with the title, Rural Credits?

Mr. ROBB: Mr. Speaker, this bill provides for agricultural credits largely along the lines of the recommendations of Dr. Tory who made a report upon the subject to the Banking and Commerce committee. The fundamental principle of the bill is co-operation between the Dominion and the provinces. The bill provides that no advance shall be made to any province unless the province agrees that such advance shall constitute a debt of the province to the Dominion, secured by bonds of the province to an amount equal to the advance. There is also a provision that as a condition of the advance the province shall provide by law a summary means of collecting both interest and principal satisfactory to the Governor in Council, and that no charge, lien, or other encumbrance representing any tax or other claim shall rank ahead of the first mortgage. This will probably require in some provinces a change in the provincial law.

Mr. MEIGHEN: The minister has carefully dodged the question. May I put it this way: It is really only a joke to call this legislation Rural Credits. It is a loan to the provinces. Has any province asked for this?

Mr. ROBB: There have been representations made to us in this House by the representatives of different provinces.

Mr. MEIGHEN: Have the representatives of any of the provincial governments asked for this legislation?

Mr. ROBB: I am coming to that in a moment. I am bound to admit that there is some division of opinion on the matter among the different provinces. Some already have a rural credit scheme, while others have a farm loan scheme; some have proved profitable, others not so. We advance this as a measure satisfactory to those hon. gentlemen who have been urging it upon us, and it will be for each province to determine whether or not it will enter into the scheme.

Mr. CHAPLIN: Have any of the provinces asked for this legislation? The question has not yet been answered.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, possibly I may be able to enlighten my hon. friends to the right. The province

of Alberta has passed legislation respecting long term rural credits, but the minister in charge, Hon. Mr. Brownlee, made it quite clear before the measure passed the local house that to make it operative it would be necessary that they should be able to raise money by cheaper means such as through the Dominion government, than they are now able to do as a province. Whether the proposal of the minister will have this effect or not I cannot tell. All I have to suggest at the present moment is that if the loans to be advanced are not at any one time in the whole life of the scheme to exceed the sum of ten million dollars—

Mr. SPEAKER: I do not wish to interrupt the hon. member, for he is undoubtedly exercising his rights, but if there is no objection to the principle of the bill perhaps it would be wiser to go into the committee stage at once. Is that the desire of the House?

Mr. MEIGHEN: I am content, as the bill has no principle.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

Mr. GARLAND (Bow River): I am willing to concede the government credit for saving itself in this matter, but frankly I do not look upon the measure as by any means ample enough to meet the requirements of an agricultural loan scheme for the Dominion. In fact, it will not meet a fraction of the needs. I am, however, not at this moment objecting to the little bit that is offered, especially as I hope that further reasons in the future will induce the government to realize that a ten-million-dollar loan will not in any way effect what is the chief purpose of the bill—the reduction of the interest rates on long term mortgages. In Saskatchewan, under the rural credit system something over nine million dollars has already been loaned without materially, or indeed appreciably, producing any effect upon the level of interest rates on long term loans in that province. Dr. Tory, in cross-examination before the committee on Agriculture of 1924, made it quite clear that in his opinion it would require from sixteen to twenty per cent of the total amount of money now outstanding in farm loans to be loaned in competition under some government scheme to be effective in reducing interest rates.

Mr. EULER: What sum would the hon. member suggest as being adequate to meet the situation?

[Mr. E. J. Garland.]

Mr. GARLAND (Bow River): At this moment it would be impossible for any individual or for any government to determine exactly the amount of money that may be required.

Mr. EULER: Could the hon. member state approximately?

Mr. GARLAND (Bow River): No, not even approximately. Under the legislation now before us it is declared there shall be a maximum amount, including principal and interest, of ten million dollars. I assert that that sum is inadequate.

Mr. EULER: Would the hon. gentleman state the maximum sum?

Mr. GARLAND (Bow River): No, I would put no maximum sum. I would leave this entirely to the discretion of the Treasury board.

Mr. ROBB: I am glad to note the renewed confidence of my hon. friend in the Treasury board.

Mr. GARLAND (Bow River): My hon. friend's confidence is based on something different from mine. I am satisfied that before very long the Treasury board will be acting along lines that hon. members in this corner of the House have advocated for some time.

An hon. MEMBER: A new government.

Mr. GARLAND (Bow River): Possibly a new government, too. But I would rather leave it to the discretion of the Treasury board to determine the amount of credit that should be extended to any province for a scheme of this kind. Other factors besides the mere provincial security would be taken into consideration. I do not want to delay the passage of this bill, but I wish the minister would give us the assurance that the amount of $10,000,000 is not to be regarded by him as sufficient to meet the competitive requirements of agriculture in Canada.

Mr. IRVINE: Did not Dr. Tory estimate the mortgage debt of the farmers of Alberta alone at something around $100,000,000 and suggest that it would require at least $20,000,000 to carry their current requirements?

Mr. GARLAND (Bow River): No. I think the hon. member has in mind a statement that was made by the Attorney General of Alberta in the local House, Hon. Mr. Brownlee, who estimated two years ago that the outstanding long term farm loans in Alberta amounted to $100,000,000. Of course it was an estimate. Dr. Tory has estimated, I

think, the mortgage indebtedness of the three prairie provinces at $250,000,000. If 16 or 20 per cent of that would require to be provided under some competitive scheme established under governmental jurisdiction, then certainly the measure before the committee is not adequate, if the $10,000,000 is to be a maximum at any one time, including both principal and interest. I trust that the minister will be able to give the assurance that he does not regard the $10,000,000 as being adequate to meet the amount that may be required to create competitive rates in mortgage loans.

Mr. IRVINE: Suppose that $10,000,000 is put out under this scheme at approximately 7 per cent; twenty years from now we shall have over $10,000,000 in interest, so that would mean we are only lending the interest. If you keep on doubling the amount, I do not know what kind of system it will be.

Mr. GRAHAM: Will not the interest have been paid year by year?

Mr. McTAGGART: Some provinces may desire to take advantage of this scheme and others may not. Is provision made for a maximum amount which may be advanced to any one province?

Mr. ROBB: No.

Mr. STEWART (Leeds): Is it not a fact that the provinces already have power to borrow money by loan upon the farm credit or rural credit system? If so, what is the object of this government borrowing money to lend to the provinces? Has any province asked for this legislation?

Mr. ROBB: I understand that seven provinces have rural credit schemes. It has been represented to us that money might be secured at a little lower rate of interest with the Dominion credit behind the bonds.

Mr. CALDWELL: What provinces have provision for rural credits?

Mr. ROBB: I have not the list before me.

Mr. VIEN: All except Quebec and Prince Edward Island. I know that New Brunswick has a different system from the other provinces.

Mr. CALDWELL: In view of the statement made. I would like to quote the New Brunswick Act, because New Brunswick as a province has not a rural credit act. It passed an act in 1923 giving the municipalities authority to issue bonds and borrow money and set up municipal farm loan organizations. The thing was so impracticable that no municipality would undertake it. It would mean we would have fifteen farm loan organizations in the little province of New Brunswick, each with an overhead which would make it impossible to handle a farm loan scheme with any hope of success.

Mr. VIEN: My hon. friend will admit that in New Brunswick the scheme was not a success because the municipalities refused to undertake the responsibility for the payment of capital and interest advanced to the farmers under the scheme.

Mr. CALDWELL: Would the hon. member suggest that the municipalities take up a scheme like that?

Mr. VIEN: Somebody should be responsible for the repayment of capital and interest.

Mr. CALDWELL: The fact is that the government of New Brunswick "passed the buck." I went before the provincial government three years ago with one of the biggest delegations that ever appeared before them for any purpose, to ask them to pass a farm loan act, and this is the gist of the act they passed:

> Any municipality desiring to borrow money for the purpose of lending the same to farmers in such municipality may do so upon passing a resolution at any regular meeting of the municipal council of such municipality, or at a special meeting duly called for that purpose, setting forth that the municipality wishes to borrow a sum of money, not exceeding a specific amount, repayable annually at the rate of five per cent per annum.

The province did not even propose to lend money to the municipalities.

Mr. HOEY: Did the province guarantee the municipal bonds?

Mr. CALDWELL: No, they simply granted the municipalities the right to issue bonds and go into it on their own account—a power which I think they had in any case. As I say, it was simply a matter of passing the buck.

Mr. VIEN: Somebody has to hold the buck.

Mr. CALDWELL: The expression is not a very elegant one, but if any more inelegant expressions were allowed it could be used in reference to this deplorable action on the part of the provincial government. Under this scheme our province will not get the benefit of this proposed legislation.

Mr. VIEN: Why?

Mr. CALDWELL: Because a government that will pass an act of this kind—and it is entitled the Farmers' Relief Act—

Mr. VIEN: But they will adopt legislation if they choose.

Mr. CALDWELL: I am afraid they will not choose to; they never have chosen before. We asked our provincial government for bread and they gave us a stone. I am much disappointed. I thought from the research work that had been carried on by Dr. Tory and from the recommendations from the Banking and Commerce Committee along this line, this government would bring down a real rural credits act of its own, to be administered, possibly, by provincial boards. But this act will be of no benefit in New Brunswick, and I doubt if it will to any of the Maritime provinces. It may be of some benefit to some provinces that have rural credit acts in operation; it will enable them to secure additional money to carry on. I am surprised that there is not some limit set to the amount each province will be allowed to get from the Dominion government under this act. Suppose Ontario makes an application to-morrow for $10,000,000 under this act, what is going to happen?

Mr. ROBB: It will be at the discretion of the Treasury board, in which the hon. member for Bow River has such great confidence.

Mr. CALDWELL: If that is the case, I have no fear of their getting too much money. In fact, I was surprised that the hon. member for Bow River would leave it to the discretion of the Treasury board, because if that is done, I do not think they would even get $10,000,000.

Mr. STEWART (Argenteuil): Dr. Tory was employed by the government to make a study of rural credits: he made a report, and in addition gave evidence before the committee on Agriculture. The suggestion that the federal government should go into the rural credits scheme on their own responsibility would meet with some opposition from provinces that are carrying on schemes of their own. In fact, that became evident to the government when this matter was being discussed, and the government thought it well to come to the assistance of those provinces who are desirous of getting help financially and who have rural credit schemes in operation.

Mr. IRVINE: Just in what way does the federal government through this bill help the provinces? As I understand it the provincial bonds are accepted by the Dominion government, and then the Dominion government issue other bonds to carry the debt. Why this double transaction? Why could not the provincial government issue their own bonds direct? If that is all the Dominion government is going to do, what is the advantage?

Mr. STEWART (Argenteuil): There is no advantage except that the credit of the Dominion government is behind the issue of the bonds, and that will reduce the interest charge for the borrowers. The whole hope of the scheme, if it is of any value at all, is that it will reduce the interest charge to the farmer borrower.

Mr. IRVINE: What is the difference at the present time between the interest rate paid on Dominion government bonds and on provincial government bonds? When we know that, we shall be able to estimate the amount by which the interest charges will be reduced by borrowing under this scheme.

Mr. STEWART (Argenteuil): If the provinces were to issue farm loan bonds of which they were the sole guarantors, my hon. friend might find the interest rate considerably higher than if those bonds were backed by the credit of the federal government. I think it goes without saying that the credit of the federal government will reduce the interest rates. If not, then I will say at once that there is no need of the federal government going into this field at all.

Mr. IRVINE: Is not that a matter that might be easily estimated?

Mr. STEWART (Argenteuil): I know what is in my hon. friend's mind, I think. His point is that the provincial bonds are selling almost on a par with federal bonds, and that therefore in the issue of farm loan bonds there is no advantage in having the federal government as guarantor. That, of course, is very largely a matter of opinion. My own opinion is that there will be advantage in having the backing of the federal government in the issue of these bonds covering farm loans.

But what I wanted particularly to say is this. I am more attracted to the scheme suggested and discussed and written about at some length by Mr. Petersen of Calgary. His scheme would provide for a system of rural credits that would be financed largely by the people themselves. Still, I know the difficulty in the inception of a scheme of that kind. I do believe, however, that if the rural sections of Canada are to be successful in securing cheap money, it will have to be done in some manner other than continually leaning upon the credit of the provinces or of the federal government. We have a serious situation in Canada, particularly in western Canada, where the interest rates are much higher than in any other part of this country, where money is dearer, and transportation and living costs are higher, and relief in this direction I think should be extended to these provinces. I do

not think it should be extended to them to an extent beyond what their credit will warrant. Under this bill the government are not taking any chance of having losses, but this step is being taken for the time being in order to inaugurate a system of this kind. We are loaning our credit to the extent of $10,000,000. It is true that $10,000,000 will not go very far in a scheme of this kind, but I think it will go far enough to meet the requirements at least of this year. It will take some considerable time to get the negotiations worked out between the provinces who are desirous of obtaining loans and the federal government. No one would argue that $10,000,000 would be of any advantage at all if it were to be confined to that. I think Doctor Tory is well within the mark when he states that the farm loan indebtedness of the three prairie provinces is well over $200,000,000. Some years ago when I was premier of the province of Alberta—at the time, by the way, when our farm loan bill was passed—the indebtedness of the province of Alberta alone was then $60,000,000, so that to suggest that $10,000,000 would meet the situation is an utter absurdity. But I would like in the intervening period between this session and next to make some further study of the scheme. I see no difficulty in encouraging under provincial auspices, backed by the credit of the federal government farm loan societies much along the same lines as our rural credit societies are being carried on to-day. That is what I would like to see done, but I do think it is important that the credit of the federal government be behind the scheme in order to get the money at the cheapest rate.

Mr. GARLAND (Bow River): Is not the minister aware that the legislation now on the statute books of Alberta proposes to do just that very thing—the organization of local credit societies with provincial backing, providing they can get money in co-operation with the Dominion government?

Mr. STEWART (Leeds): I should like to ask again what provinces have requested this assistance.

Mr. ROBB: I have already stated twice that representatives from different counties in different provinces have from their place on the floor of this parliament made representations to us in this matter.

Mr. STEWART (Leeds): Am I to assume, then, that there has been no formal request from the government of any province for this assistance? I would like to have the minister answer the question, yes or no.

Mr. ROBB: I am not going to make a reply to that question without reading carefully through my files again.

Mr. MEIGHEN: The minister thinks possibly he could dig up some letter from a government. He knows just as well as he knows he is sitting in his seat that no government in the world has asked for this. He knows it is nothing more or less than grotesque for the government to introduce this as a rural credit scheme. A rural credit scheme is one thing, and a farm loan scheme is another. It would be almost a joke to describe this as anything at all, but the last thing in the world you could describe it as is a rural credit scheme. Manitoba has a rural credit scheme, and a farm loan scheme too.

Mr. ROBB: This act is to provide long term farm loans.

Mr. MEIGHEN: Why all the use of this term "rural credits"? This has nothing to do with rural credits as commonly understood.

Mr. VIEN: My right hon. friend is wrong. The title of the act is "An Act to authorize advances to assist agriculture by providing for long term farm loans."

Mr. MEIGHEN: I am quite aware that when it came to the title of the act the government got away from rural credits, but this was announced in the House as a rural credit scheme. The Prime Minister announced the government was going to introduce one. The government has not done so at all. This has no more to do with rural credits, as rural credits are understood, than has the bill about the Petersen contract.

Mr. ROBB: What is my hon. friend's idea of the difference between rural credits and long term farm loans?

Mr. MEIGHEN: If the minister has not that in his own head he has not given much study to this subject. Rural credits in Manitoba are based on the idea of government co-operative units. They have been assisted by the provincial government and a special act is passed to provide for the administration of the funds entrusted to each on a co-operative basis. I know it has been a failure. I know that fifty-odd out of seventy-four are now in the hands of the provincial government as liquidator. But that is the rural credit scheme, good or bad. They have a farm loan scheme too, and I am not sure which has been the greater failure, the farm loan scheme or the rural credit scheme.

Mr. FORKE: I think the farm loan scheme is all right.

Mr. MEIGHEN: It seems to me this measure should have been entitled "An Act to relieve the Loan Companies of Bad Loans."

Mr. FORKE: That is all wrong.

Mr. MEIGHEN: They were very, very wretched loans, and I do not think the scheme has done any substantial good at all. It may not have been quite the failure the rural credit scheme was—the general impression in the province is that it is not—but, the rural credit scheme has been a grotesque proceeding in Manitoba. This government proposes to borrow ten million dollars to lend to the provinces, in order that the provinces will be able, I presume, to launch on the farm loan scheme, in the loaning of money in competition with loan companies. In the first place it resembles nothing so much as an attempt to ladle out the ocean with a spoon. Hon. gentlemen to my left should not take this too seriously, or be too technical in their objections to the different clauses. It will only be a waste of time. I wonder if anyone seriously thinks there will be a dollar loaned under this scheme. Look at the minister smiling. He has not the faintest notion of lending a dollar.

Mr. ROBB: I am listening to the argument of my right hon. friend. That is why I am smiling.

Mr. MEIGHEN: He has no notion of lending a dollar to any province under the bill. There are clauses in the bill which give him the absolute control, and he can sit tight and do as he likes, which will make the province hang right back and not even apply.

Mr. FORKE: What clauses?

Mr. MEIGHEN: This measure says that the loan which the province makes is going to rank ahead of taxes and liens of any kind. How many municipalities are going to stand for that? However, we might as well pass the bill and get through with it. The result will be the same as if the bill were defeated. We can pass it and in that way defeat it. Hon. gentlemen probably desire to get home. This is so much propaganda, to cover the event of a possible election, so that the government will be able to say that they met the demands of the hon. gentleman from Bow River (Mr. Garland) for a rural credit scheme. That is the purpose of the legislation, no more and no less.

Mr. FORKE: The right hon. leader of the opposition is very sarcastic this morning in regard to this bill.

Mr. MEIGHEN: Wait and see.

[Mr. Forke.]

Mr. FORKE: I think he is wrong in regard to the Farm Loan Association in Manitoba. I am fairly well acquainted with the work of that institution, and I think its loans have been made with just as much care as the mortgage companies loans have been made, and perhaps the association is in better condition as far as the farm loans are concerned than the majority of the mortgage corporations in Manitoba.

The rural credit scheme is on a different footing. I have no fault to find with the Rural Credit Act in Manitoba, but I have fault to find with the way it has been worked out. I do not care what laws or what acts you have, there is always a human element that enters into it, and that is where the Manitoba rural credit scheme has fallen down. The local board has been too sympathetic and too ready to make loans. There is another situation that has rather worked against the successful carrying out of the act. The act came into force at the time when prices were very high, and loans were largely made upon the valuation put upon the property by those seeking the loans. While the loan was perfectly safe at that time, according to the valuation that had been made, in a year or two, when values had shrunk very rapidly the loans were not so well secured and no doubt there has been a loss. The weakness of the whole situation has been that the local board has not been selected with sufficient care. I do not think it is wrong for me to say here that in some cases local merchants and others who were interested in collecting the debts from those who were borrowing money were on that board, and a favourite arrangement was to advise the borrower to consolidate his debt. That is to borrow sufficient money to pay off his local debt, and then apply to the rural credit society. Hon. gentlemen can see how it worked out. He paid the debt, but left a large debt to the rural credit society, and they made failures, while the merchants got their money.

I have something to say about the trouble in borrowing money. The trouble in the west is that the security is not always good. You cannot expect to borrow money unless you are able to put up security.

Mr. MEIGHEN: Hear, hear.

Mr. FORKE: I think that is correct.

Sir HENRY DRAYTON: Everywhere.

Mr. FORKE: And that is really the crux of the whole situation. The serious state of the agricultural industry, and the difficulty in making agriculture a paying proposition

brings up a serious difficulty in borrowing money for agricultural purposes. Loan societies, governments, or any other institutions like to see how their loan is going to be repaid. We find the west has got into difficulties. Farmers have got into difficulties and municipalities, provincial governments and other institutions, have tried to ease the load of the farmer as far as possible. We find the provincial government passing laws one after the other to prevent foreclosure, to make sure that those who have loaned money in any way can get it back at some future time. Consequently when you have that state of affairs interest immediately rises, and a difficulty in securing loans occurs. I do not think that we are ever going to have any successful borrowing or loaning institutions until we get things put on a more profitable footing.

Then the difficulty arises with regard to the occupation of agriculture. How are we going to put agriculture on a safe basis, unless we have funds? I hoped the government would have some scheme to bring before the House in order to show us some way out of the difficulty. There is nothing in the scheme that I can see to help us out, for the simple reason that if the security is good the provinces can borrow the money themselves, and if they have to become good for the money they might just as well borrow in the first place. I do not see that there is anything in this bill. I do not like to condemn it. It may be an honest attempt to relieve the situation. Ten million dollars may be only a beginning. The only point in my opinion is that if the Dominion government can borrow much cheaper than the provinces, it might be an advantage for them to borrow the money and loan it to the provinces. That is the only advantage that I can see in a scheme of this kind, but I do not know that they can borrow it so much more advantageously than the provinces. I agree with the criticism that has been made of the amount—ten million dollars.

Mr. McKAY: What scheme of rural credit would my hon. friend advocate?

Mr. FORKE: I am not advocating any. I know that it is very popular in some quarters. The only plan that I think would be feasible is the amortization plan of long term loans at low interest; but you must get security to carry out that plan, and that is why we emphasize so much in this part of the House the tremendous necessity of putting agriculture on a prosperous basis. The whole question arises simply because there is so much difficulty about security. I seriously think the ten-million-dollar proposition is just a joke; it would not begin to do anything, so far as rural credits are concerned.

Mr. McKAY: Referring to the system adopted in the United States, of long term credits, can my hon. friend tell me how much the United States advanced to the federal farm loan boards?

Mr. FORKE: I think that is a different scheme altogether and is not in the same position as this at all.

Mr. McKAY: Why not advocate the same plan in Canada?

Mr. FORKE: That is a different thing. The only proposition that I would advocate in the way of Dominion government loaning would be to loan, not ten million, but probably a hundred million—I would not like to mention the exact sum—and to loan that money under the amortization plan, namely long term loans at low interest. Perhaps it could be loaned at five per cent for twenty or thirty years on fairly good security. In that way I think something could be done to help the west. No ten-million-dollar scheme is ever going to accomplish anything at all. The Minister of the Interior says that this is a trial. Well it is a failure to begin with, if we only start with ten millions.

Mr. McKAY: I have never spoken in the House before, and I only do so now because I have always looked upon the farmer as the Atlas, from an economic viewpoint, of the industry of the whole world. Holding that view, I think I should for a short time deal with the proposition before the House. Several hon. gentlemen have spoken slightingly of the amount proposed in the bill—$10,000,000. If they would give some consideration to the long term credit system of the United States, they would think $10,000,000 would be ample to sustain the long term credit of the Dominion of Canada. I have before me the report of last year, that is Dr. Tory's first report, and I find that twelve federal land banks were established in the United States, these banks coinciding in position with the twelve federal reserve banks. I find the capitalization, money advanced by the federal government of the United States for each of these banks, was $750,000, making for the twelve banks a total of $9,000,000. That would appear to be a small sum to finance a mortgage scheme on the amortization plan for the whole of the United States, a country with about 115,000,000 people. But that grant has been ample. I hold in my

hand the last report from the Secretary of the Treasury, and I find in it that the net mortgage loans to-day amount to $927,000,000 odd. The liabilities of the institution are farm land bonds outstanding, $914,000,000 odd. And the only capital held by the United States in these banks is $1,670,000. At no time have the United States been asked to advance more than their initial loan of $9,000,000. How has that been done? It has been done by a revolving scheme. I can illustrate that in a very few words. When a man gives a mortgage for $2,000, $3,000 or $4,000 on his farm, that mortgage is turned into what is called a mortgage bond. Those mortgage bonds are sold and, according to a letter I hold in my hand, those mortgage bonds in the United States are picked up like hot cakes. They have met with a ready sale from the very inception of the scheme; so much so that many of those who hold mortgage bonds in the United States to-day can sell them at a premium.

Mr. FORKE: Why do those mortgage bonds sell at a premium.

Mr. McKAY: Because the security is good.

Mr. MEIGHEN: Is it not also because they are tax free?

Mr. McKAY: I am aware of all those facts. I am well aware of the fact that the $9,000,000 advanced by the United States was advanced to the farmers free of interest. I am well aware of the fact that the bonds sold are free from federal, state and municipal taxation, indeed all taxation of any description whatever. Further, I know the Unites States government makes no demands in connection with the dividends accruing through this system. They have placed the farmers there on a very good basis. The money that was advanced to them cost the farmers not one cent of interest to the United States government, notwithstanding the fact that it cost the United States government between 3½ and 4 per cent to raise the money. Why should any hon. member in any corner of this House object to that? That was something given to the farmers of the United States; were they not deserving of it? Could the man who is doing business under the sheltering aegis of a tariff of thirty-five or forty per cent complain? Certainly not. I advocate here to-day and I believe this $10,000,000 will be all that this government will be asked to advance. I would ask for the advance of that money without charging the farmers of this country one cent of interest. I would also advocate the American system of tax exemption on all bonds connected with a system of this kind. How can this be done? Every province, by this initial move, can stand on its own feet as an individual unit. Why cannot the provinces institute a bureau in connection with their individual treasury departments? Why cannot they take these long term mortgages for twenty, thirty, forty or forty-five years, turn them into mortgage bonds and sell them? Why cannot a scheme similar to the revolving system in the United States finance itself? I feel safe in saying that an average advance of $1,000,000 to each of the provinces will be amply sufficient to finance this whole scheme and bring relief to the farmers of the Dominion.

Mr. GARLAND (Bow River): Is the hon. member advocating the establishment of a rural credit system or a long term farm loan system similar to that in the United States?

Mr. McKAY: I am confining my remarks—and I thought I was quite clear—to what we call long term credits on the amortization principle. While on that point I should like to call the hon. gentleman's attention to the fact that what we call the short term credits and intermediate credits, which are in existence in the United States to-day, have been in existence for only a little over one year—not two years yet. I have evidence in a work which I hold in my hand that the system so far, as the writer says, has not proved an unqualified success. Hence I would not at the present time advocate a system of short term credits or intermediate credits as that system in the United States is now only on trial, having been instituted less than two years ago. I have a letter from a gentleman known to almost every member in this House, Mr. Tom King, and this is what he says:

> Now, as I wrote you, the mortgages held by the federal farm loan boards only amount to $1,300,000,000.

That was the amount of mortgages held by the federal farm loan board in the United States. The farm mortgages in the United States amount to from $13,000,000,000 to $18,000,000,000, so that only a small part of the indebtedness is carried by the farm loan boards at the present time. As a matter of fact, I believe it is only about seven per cent. Let me read from this communication from Mr. King. He says:

> From the standpoint of the farmer, of course, it has been a great success. But you will be told in Canada that the United States treasury has been depleted to lend all this money. Now, as a matter of fact, out of the nine million dollars voted less than $2,000,000 was furnished by the United States government.

I call attention to that fact:

When the banks were organized, the government subscribed for stock to the amount of $9,000,000.

I would emphasize this point. All the stock has been retired with the exception of $1,670,000. At the inception of the organization the farmers were loaned $9,000,000; that was the limit. And of this amount the United States government advanced not more than $2,000,000. The farmers have paid back the whole amount advanced them, and they owe only $1,670,000 to the government. So that it is only a matter of two or three years until the system is self-sustaining, passing out of the hands of the government altogether into the control of the farmers. The scheme was so managed that the farmers were put in a position to finance it themselves within a short time, and will control it from the Atlantic to the Pacific.

Mr. GARDINER: Does the hon. member contend that this legislation now before parliament will inaugurate such a scheme as exists in the United States?

Mr. McKAY: I am not pretending that for a moment, although as a matter of fact I think that you are getting something better. I believe that the $10,000,000 provided for in this bill is quite sufficient. There should be no necessity to call upon the government to advance one more dollar if each of the provinces adopting the scheme would establish a bureau in connection with the provincial finance department to manage the thing, as they will have power to do. No large organization will be necessary, and there is no reason why the scheme should not be successful if run on the same lines exactly as the one under the federal farm loan board of the United States. To me it is a simple matter. By converting the mortgages into mortgage bonds and selling the bonds the scheme can be made self-sustaining and more than self-sustaining.

Mr. MEIGHEN: Does the hon. member know that by this very legislation the money to be provided here is forbidden to be used in the way the United States board uses its funds?

Mr. McKAY: I do know that the long term credit scheme in the United States has so far proved an absolute success. There may have been a few foreclosures, but this is bound to happen anywhere, and the general result has been so satisfactory that the organization has lost nothing.

We have in Ontario both a long term and a short term system and in connection with the long term loans there has not been the loss of one dollar on the part of the provincial government. I would however advocate a system somewhat different. The land is valued in Ontario by one valuator and improper valuations are apt to be made in some cases; but in the United States three members of the local board appraise the land, and in addition there is a federal appraiser who visits the various units and makes an independent valuation. The long term system in Ontario has been an undoubted success, and I see no reason why this scheme should not be equally satisfactory, especially if we adopted some system such as they have in the United States. It would take some time to organize it properly but we have the United States model to copy from. And they have the best rural credit system in the world.

Mr. GARDINER: Would the hon. member call the United States rural credit system a national or a state system?

Mr. McKAY: It is of course a national scheme, but I am convinced that the plan proposed in this legislation will be successful. So far as I am aware, there is no demand on the part of the Ontario government for any help or direction from this parliament, nor is there such a demand from the province of Quebec. Indeed, I do not think that there is any practical demand from any province of the Dominion for federal control. Some of the provinces may be so wedded to their own schemes that they would not care to adopt a federal system, and I do not think that the Dominion government would be acting wisely if it superimposed any national scheme upon the local units. I am sure that if we adopted in each of the provinces some system corresponding to the federal system of the United States, the small sum of $10,000,000 would be ample to finance the individual undertakings in such a way that the active units would be able to pay back the money to the Dominion in a few years, become self-sustaining, and pass entirely into the control of the farmers themselves.

Mr. SPENCER: I want to congratulate the Acting Minister of Finance (Mr. Robb) on bringing down this bill, but I must express regret that he has seen fit to introduce, forty-eight hours before prorogation, a measure of such importance. A better act than this has been asked for during the past three years by members of western Canada and it is not in the interests of the country that legislation of this importance should be brought down in the last hours of the session and possibly of this parliament. Rural credit legislation is asked for by the people of the west particularly, for the simple reason that

the present banking facilities are not in the best interests of agriculture. The time limit on notes is too short, the interest rates are too high, and the renewals are too uncertain. With regard to chattel mortgages, also, the time is too short, the interest rates and expenses are too high. It is for these reasons that for some years past there has been an agitation for a system of rural credits. We have continually asked this parliament for a measure of relief. We all know that agriculture has been going through a very strenuous time during the past several years. We have asked for bread; in this bill we have been given a stone. As the right hon. leader of the opposition (Mr. Meighen) says, it is doubtful whether a single dollar will be asked for under this legislation, surrounded as it is with so many restrictions.

The hon. member for Leeds (Mr. Stewart) wanted to know if the provinces had made any demand for such legislation, and the hon. member for North Renfrew (Mr. McKay) asked the hon. member for Brandon (Mr. Forke) if he had any scheme to suggest. Now, I am going to place before the House a very carefully thought-out scheme that has been put forward by the Alberta Provincial U.F.A. Convention, which has been asking for rural credit legislation, but before doing so I want to refer to the suggestion made by the hon. member for North Renfrew that for a rural credit scheme we should issue tax-free bonds. I do not agree with him. I think tax-free bonds are absolutely wrong. It simply means that men with surplus wealth would invest in those bonds, their investment would not be taxable, and the extra taxation would have to be paid by the masses of the people who cannot so well afford to shoulder the burden. The scheme to which I referred was put forward by the United Farmers of Alberta at their annual convention, extending from January 20 to January 23, 1925, and is contained in the following resolution, which was adopted unanimously:

Whereas the question of rural credits and the relief of agriculture by providing cheaper money for farmers, has become within the past ten years one of the chief economic problems of this continent, and in this country has now reached a condition so acute as to become a national crisis; and

Whereas, efficient methods of meeting this situation can only be inaugurated by action by the Dominion parliament; and

Whereas the Finance Act, 1923, provides that advances of Dominion notes may be made to the chartered banks by the Treasury Board on the deposit of approved securities, among which as listed and actually received by the board, provincial bonds are deemed to be of the first rank as security, such securities held by the Treasury Board taking the place of any gold redemption reserve in so far as such issues of Dominion notes are concerned, and

Whereas, such provincial bonds when deposited with the Treasury Board by the province are of exactly the same value as securities as when deposited by a bank;

Be it therefore resolved that this convention urge upon our federal representatives to use every effort to have action taken at the coming session of parliament to inaugurate a system of rural credits embracing the following principles:—

(a) That the provinces be given the right to obtain from the Treasury Board, on the deposit of provincial bonds as security therefor, advances of Dominion notes for the purpose of rural credits.

(b) Such right of a province to obtain such funds to take effect only on the passing of a resolution by the provincial legislature in favour of such action.

(c) That interest on such advances be paid by the province to the Dominion at such rate as may be agreed upon, having in view the cost of establishment and operation of the system, such payments to be applied on the reduction of our national debt.

(d) Such funds so obtained to be loaned to actual farmers on first mortgage security under strict government supervision and appraisal up to fifty per cent of the appraised value of the land, such appraisals to be based on the productive value of the land.

(e) Such funds to be loaned at a rate of interest not exceeding one per cent greater than the rate paid by the province.

(f) Loans to be made on a long term amortization plan of such length that the combined payment on principal and interest shall in no case exceed an additional payment of one per cent of the total indebtedness.

The United Farmers of Alberta have for several years past gone on record as advocating that a provincial bank should be established to relieve agriculture in the province. But it was recognized from what took place before the Banking and Commerce committee in 1923 that even if a charter was asked for to establish such a bank there would be very little chance of getting the measure through this parliament, and that was one of the reasons why at their last convention they decided to ask for relief through some other channel. Hence the resolution which I have placed before the House.

Mr. ROBB: Is that a provincial or a local body?

Mr. SPENCER: Provincial. It was the intention to send a copy of the resolution to the Acting Minister of Finance, but it was thought that as the matter would probably come up before the Banking and Commerce committee it would be preferable to have the federal members from Alberta bring the scheme before the committee for discussion there. Unfortunately, we did not have that opportunity. I sincerely hope the Acting Minister of Finance will give the resolution his careful attention.

Mr. ROBB: But my hon. friend admits now that the resolution was never sent to the Department of Finance.

Mr. SPENCER: Usually copies of all resolutions passed by the provincial association at their conventions are sent to the ministers of the various departments in Ottawa. If this course was not followed with respect to the resolution it was an oversight.

Mr. GARDINER: Mr. Chairman, I congratulate the minister upon the great courage he has had in bringing this legislation before the House and calling it a national farm loans scheme. As far as I am concerned, this legislation does not begin to touch the question at all, and I do not think the minister realizes the tremendous problem that we have in western Canada to secure money for farmers at reasonable rates of interest. True, this measure may be a beginning towards that desirable end, but, not having any idea as to what is the ultimate intention of the minister, it is hard for me to accept his proposal as being even a beginning in the direction of long term farm loans.

Under our banking system, to all intents and purposes we turn over the total credit of Canada for the use of the banks, and in that connection we have what is known as the Finance Act of 1914. Under that act, which came into force because of war conditions, the chartered banks were empowered to obtain in advance of Dominion notes on depositing certain approved securities with the Treasury board. In the first place, these dominion notes are issued against the total credit of Canada, and all the producers in Canada are responsible for the creation of that credit. The basis of real credits in this or any other country is the ability to produce and deliver goods and services, and just to the extent that Canada can produce and deliver goods and services, to that extent only has Canada a real credit. Take agriculture, for instance; we probably produce very nearly half the real credit for Canada, yet when we want to put a portion of that credit into circulation we must go to a bank or some other financial institution. we must do that before we can use the real credit that we have produced. Under these circumstances it is impossible for agriculturists in Canada to get money at a reasonable rate of interest. In view of the fact that the banks have the privilege of taking provincial bonds to the Treasury board and securing an issue of Dominion notes against that provincial security, why should it not be just as feasible to allow the provincial government to place their bonds with the Treasury board and receive a similar issue of Dominion notes for the purpose of making long term farm loans? Is there any reason why the provincial government should not do that? By that means the man who produces the real credit, the farmer himself, would be in a position to put a portion of his credit into circulation, and he could put it into circulation at cost. We have a financial system here in Canada that is laying a heavy hand upon the producers, and I am satisfied that before very long we will have to take drastic steps to get away from the heavy load we are carrying. I am willing to accept this legislation as far as it goes, but unless it is followed by something more effective it will not begin to cure the disease we are suffering from at the present time. This country is spending annually something like $3,500,000 to bring in immigrants, and what position are they in when they come here? If they have a little capital and desire to take up farming, they immediately become indebted to these loan companies for advances of money at high rates of interest. I am satisfied that no immigration scheme, unless it is linked up with a reasonable measure of rural credits in order to give these people a start, can be the success that we would like it to be. While this legislation is a beginning, I hope the minister will take the matter into consideration to a greater extent than he has done in the past and see if he cannot evolve some national rural credit scheme that will give the farmers the money at a reasonable rate of interest.

Mr. CAMPBELL: In venturing a few remarks on this bill I hope the minister will not regard my comments as being of a destructive nature. I propose to deal with it from what I consider a constructive standpoint. The necessity for some form of rural credits is universally recognized in Canada. In his report Dr. Tory said:

> It must be obvious to any one who gives this question serious consideration that some immediate improvement in methods of agricultural finance is imperative if Canada is to maintain her place in world agriculture.

I notice a great deal of propaganda in the press lately condemning the principle of rural credits. It is pointed out by representatives of the mortgage companies that there is no necessity for a rural credit system because there is plenty of money on the market today. I do not think that is denied; I think we all recognize that there is sufficient money in Canada. But that is not the problem that the farmer has to face; the point is that he has to pay eight to ten per cent for the money, and that is the great problem that he

has to grapple with. I notice that the Dominion Mortgage and Investment Association, whose head office is in Toronto, presented a memorandum to the government some time ago setting forth certain reasons why in their opinion the government should not undertake anything in the way of rural credits. This association of mortgage companies has been more concerned, I think, in maintaining high rates of interest than in trying to assist the country generally. It is commonly said—and I notice it is set forth in this memorandum presented to the government—that the farmers to-day are suffering from too much credit rather than not enough. I do not know that that is denied. There was a period during the war and immediately succeeding the war when there was too much credit in the country, and that applied to manufacturers, to business men and to railway corporations as well as to farmers. Then there was a period when our currency was inflated to such an extent that there was a surplus of money in the hands of these corporations, and they had to get it out. They got it out in the best way they could, and succeeded in getting the whole community into debt. What we are trying to deal with to-day is not to secure more money for the farmers. I want to make it clear that the farmer is not asking for more money, and I do not understand that it is the policy of the government to lend more money to them. The idea is to give the farmer an opportunity to borrow the necessary money to pay off his present indebtedness and spreading it over a long period of years at a greatly reduced rate of interest. I appreciate, of course, the fact that the government have done something, and I appreciate it more because it is a recognition of the necessity for rural credits measure than for what is actually contained in the bill before us. I hope it is the beginning of a larger plan that will eventually solve the problem so far as our farmers are concerned. Dr. Tory, in his report presented to parliament in 1924, dealt particularly with land bank system of the United States, and I think he made it clear to anyone who has intelligently studied that report that the problem has been dealt with very efficiently in the United States. He points out that the mortgage companies in Canada to-day are operating under a tremendous expense. They are suffering from what the hon. member for South York (Mr. Maclean) has repeatedly pointed out in this House that the railways are suffering from—to much duplication. You will find five, six, seven or eight, sometimes nine or ten mortgage companies operating around one small village in western Canada, with seven or eight different appraisers going into that district every year to collect, to appraise the land and generally to oversee their business. That, to my mind, is the fundamental problem. Now, by pooling all these organizations their expenses could be cut down to a very great extent, and that is the principle on which the land bank system of the United States is based, namely, to cut out duplication by consolidating all these organizations and thus to reduce the cost of interest to the farmer. Now, in dealing with the land bank system of the United States Dr. Tory said:

> I think it cannot be denied, referring especially to Western Canada, that the mortgage business is conducted in an exceedingly expensive manner, and that reasonable co-operation between land companies might greatly reduce the present cost of administration. The federal land banks of the United States are to-day conducting their business on a margin of one per cent and are setting aside out of that a considerable margin for possible losses.

He points out further that every country in the civilized world has ultimately been compelled to take such steps as this. He points out also that the federal land banks have conducted the business at a cost of one per cent and have paid back, in addition to interest on the capital stock which is held by farmers, almost the entire loan advanced to the land banks by the federal government. Now, my complaint with regard to the policy adopted by the minister is this: that the farmer is put in the humiliating position of borrowing money direct from the government treasury. I do not think that is a sound principle. I do not think the farmer should be loaned money direct by any government. What they are asking for and what Doctor Tory particularly recommended is that legislation be put through this House that would enable the farmer to stand fairly and squarely on his own feet, that would enable him to pool his own credit. The question may be asked, why cannot the farmer do that to-day, why cannot he do it without coming to this House for legislation? He cannot do it for the simple reason that the government has been responsible for a bank act which gives a monopoly of the handling of money to certain corporations, and before we can build up this land bank system it is necessary to have some legislation that will enable the farmers to do what the farmers of the United States have done in recent years, and what the farmers of Germany did over a century ago. This land bank system would be built up entirely by the farmers themselves. Each farmer asking for a loan would be compelled to leave five per cent of that loan in the

treasury of the bank. Now that becomes capital stock. The farmer would be given a stock certificate for the amount, and when loans are asked for, a bond issue would be floated at the most convenient point in the country, the point where money was the most plentiful, and the loan would be issued, not against one farm mortgage—there would be no loan to one farmer by a man purchasing a bond direct—but the loan would be against the pooled credit of thousands of farmers.

Now the difference between such a system and the way the present mortgage companies do business is this. The mortgage companies loan to one single farmer. That farmer may be a poor farmer, he may fail completely, he may allow his taxes and interest to run into arrears until finally, when he is closed out, the mortgage company suffers a heavy loss. On the other hand, he may be a good farmer; it may be that he has done everything that he could possibly do, but that his particular district has suffered from hail, or frost, or rust, or some of the other thousand and one ills that agriculture is heir to. Under the particular system I suggest the purchaser of a bond in Montreal or New York would have as his security, not the earning power of one particular farmer, but the joint earning power of thousands of farmers, and if one of these mortgages had to be foreclosed, the loss spread over thousands of cases would be so small that it would be infinitesimal so far as the bondholder is concerned.

In addition to that, each farmer would have five per cent of his loan as stock in the bank. That is additional security, because the assets of the bank stand behind these bonds. That looks to me as a perfectly sound principle, a principle under which the farmer is enabled to stand fairly and squarely on his own feet, and not to have to lean on either the provincial or the federal treasury. The government would simply provide the necessary legislation to enable him to do that, and instead of having half a dozen or a dozen loan agents travelling around one little district in western Canada as they are doing to-day—I have seen as many as three at one time at a little country hotel doing the work that one could have done—instead of that, you would have one big organization controlling it all, thereby cutting out all this unnecessary duplication. That, to my mind, is a sound principle and that is really what the farmer is asking for to-day.

In the papers in eastern Canada—because I realize this is not so much a problem in eastern Canada as it is in the west—there is a continual propaganda being carried on to make it appear that the federal government is simply bonusing bankrupt and down-and-out farmers of western Canada, and complaining of the injustice that is done to people in this section of the country in having to lend money to these men, who, they say, have squandered their holdings in riotous living. These articles in the papers in eastern Canada put the farmers of western Canada in a most humiliating position, a position they do not want to be in. I am quite sure that if the government built up the system that Doctor Tory suggests, the farmer will have to come here only when he has good security to offer, and he will secure his money at a very much reduced rate of interest and have payments spread over a long period of years. I do not know why some such system should not have been adopted. I appreciate the fact that it will take a considerable length of time to build up this land bank system, and probably the Acting Minister of Finance has decided in his wisdom that his present plan is merely an emergency measure, and that later on the question will be dealt with in this more constructive way. But I want to point out to him that we are losing valuable time. Doctor Tory points out that it is impossible for western agriculture to get on its feet and become re-established until some such system as this is evolved, and I think we all realize that. We spend days and days in this House discussing the tariff and a good many other things that, after all, are secondary to this question of rural credits in so far as western Canada is concerned. It is not much use to hold out a reduction of the tariff to a farmer whose debts are all due, and whose interest rates are eight and ten per cent, and who knows that possibly next year or the year after he will be forced off his farm, that the mortgage company or the bank is waiting for some immigrant with a few hundred dollars to come in to whom they can resell his farm. The only thing that can appeal to that man is some system under which his debts can be spread over a long period of years and his interest rate be greatly reduced.

It is pointed out by Doctor Tory that the difference between the current rate of interest and the rate that is secured by the farmers under the land bank system in the United States—we will say 5½ or 6 per cent—would in the course of thirty or thirty-five years pay off the whole principal; that is, if the farmer in western Canada who is paying 8 per cent on a loan to-day had that interest reduced to 6 per cent, and he still continued

paying the same amount that he is paying to-day, that difference of 2 per cent applied annually on principal would in that period pay off the entire loan. That is the principle on which the land bank system is based. I hope that in dealing with the question, the government has not acceded too readily to the demands of the mortgage companies because, after all, these mortgage companies are not going to go out of business. If they have funds to invest, and most of them have funds that are handed to them by insurance companies and trust funds of various kinds, these funds can still be invested in the bonds of the land bank system, and they will not have to have this expensive field service which they are now maintaining. I believe in the end they will be just as well off. The insurance companies and the trust companies would have their money invested in a much sounder and safer way than they are to-day. The farmers would be welded together in one great organization where they would have to stand or fall together. The farmer who, perhaps, was a little more farseeing, had a little better business judgment than his less fortunate neighbour would be obliged to keep supervision over that neighbour because under this plan he has some interest in his neighbour's loan. That is a sound principle, and I would heartily recommend to the minister that he consider this at some future time and try to build up a system on the basis of the American land bank plan.

Mr. JELLIFF: This subject of rural credits which the government has introduced at the close of this session is a topic so large and important that the country in general should have a full knowledge of it and it should have thorough consideration on the part of this House. I do not understand the measure which is before us as a Dominion long term loan scheme at all. I think the minister has been a little unfortunate in choosing the title to his bill. I look upon it simply as a tender of more or less assistance to the provincial systems that are already operating, that are having difficulties at the present time in obtaining the funds for that purpose. As such, I want to commend the minister for bringing in this measure so far as it goes.

Sir HENRY DRAYTON: Where does it go?

Mr. JELLIFF: I agree with the hon. member that it does not go very far, but I believe it will give considerable assistance during the present year if it is carried out. At any rate, I am going to commend the minister for taking some action in the matter.

[Mr. Campbell.]

Mr. ROBB: I appreciate the kind words that have been said. I notice this measure meets with very mixed support. The hon. member for Bow River would have no limit placed on the amount that we should lend.

Mr. GARLAND (Bow River): The minister misrepresents me. I did not say I would place no limit on the amount to be lent. I said that I would leave the amount to be lent to the discretion of the Treasury board. That is quite a different thing.

Mr. ROBB: It is a different thing, as I will admit at once. The official leader of the Progressive party (Mr. Forke) admits the want of success of some rural schemes and organizations in the west. He points out that one of the difficulties is lack of security. He looks upon the proposition now before the committee to lend $10,000,000 as a joke, and he goes so far as to say that the amount should be at least $100,000,000.

Mr. FORKE: I do not think I said that exactly. I mentioned $100,000,000.

Mr. ROBB: I took the notes down. The government, however, has put this measure forward in good faith after consultation with officials of the department as laying the basis for a long term loan act that would be advantageous to the farmers, particularly the farmers of western Canada. We have some other measures that are delayed. I move that the committee rise, report progress and ask leave to sit again this day.

Mr. FORKE: I want to make a correction. I would not like it to go out that I said rural credit was a failure in Manitoba. The act is first rate and the system is all right. The local boards began inexperienced at a very difficul' time and they made some very bad loans. There is no doubt about that, but the act is a good one and it will work out successfully in the future.

Progress reported.

DOMINION ELECTIONS ACT AMENDMENT

The House resumed from June 20 consideration in committee of Bill No. 148, to amend the Dominion Elections Act, Mr. Gordon in the chair.

On section 21—Interval between nomination and poll altered.

The CHAIRMAN: I think the other sections up to this point have been dealt with. Section 21 has been allowed to stand.

Sir HENRY DRAYTON: I would suggest that we should now rise. The hon. member for South Wellington (Mr. Guthrie) has been going into this. He knows about the bill. I think he has been in conference with the Secretary of State (Mr. Copp), and if he were here, I do not think we would have much delay in regard to it.

Mr. COPP: I was going to suggest what my hon. friend says, but it is clause 5 that we were in consultation about. We were agreed in regard to clause 21.

Mr. KENNEDY (Edmonton): I move:

That section 21 be amended by adding the following words after the word "out" in line 29:

And further except those mentioned in schedule 5 a day twenty-one days before polling day to be named for the nomination of candidates in the electoral districts set out in said schedule 5.

In order to make that effective it would be necessary to strike out the Athabaska and Peace river electoral districts in schedule 4. the two constituencies where only three weeks are given between nomination day and polling day. I have already pointed out that some polling districts have had trouble in getting ballot boxes in two weeks, and in the interest of all in all sections I think they should be given three weeks because of occasional bad roads and conditions which make it impossible to supply all polling districts with ballot boxes on certain occasions.

Mr. MACKENZIE KING: I think my hon. friend's point is covered by a previous clause which has been enacted and which enables the appointment of returning officers considerably before any election. The idea there was to meet the kind of problem my hon. friend has in mind, letting the returning officer get his ballot boxes and have everything on hand.

Mr. KENNEDY (Edmonton): No. I would like to explain to the Prime Minister how this works. Take for instance the last election in West Edmonton. The ballots have to be printed after nomination day, and we have a two-days-a-week service from Edmonton north over the railway running into northern Alberta, either to Waterways or Peace river. Going one hundred miles down the Peace river, by sleigh or otherwise, there is a period in the fall when the river is not open and the boats are unable to navigate, yet the ice will not bear a team. During that period it is very difficult to make the trip in ten days or even two weeks. In the spring when the ice is breaking there is the same trouble. That is the reason, I understand, that at the last election three or four polls down the Peace river did not secure ballots, although they had two weeks' time.

Mr. MACDONALD (Pictou): My hon. friend will realize that in the last election the returning officer did not know he was going to be appointed to that position until a short time before polling.

Mr. KENNEDY (Edmonton): Oh, yes.

Mr. IRVINE: What difference does that make in regard to the ballots?

Mr. MACDONALD (Pictou): A great deal of difference, for the simple reason that if you have a permanent returning officer, such as described by the act, he will have to pick out his deputy returning officers for each poll.

Mr. IRVINE: You do not keep the ballots on hand?

Mr. MACDONALD (Pictou): No, we do not keep them on hand. My hon. friend is getting too gay.

Mr. SHAW: Is it not a fact that the ballots will have to be printed after nomination day?

Mr. MACDONALD (Pictou): Yes.

Mr. SHAW: And it is suggested that there will be a difficulty in getting the ballots to the polling place.

Mr. MACDONALD (Pictou): I quite apprehend that. My hon. friend said ten days might be occupied in doing that work.

Mr. KENNEDY (Edmonton): No.

Mr. MACDONALD (Pictou): The point that must be kept in view in regard to that is this: Suppose all returning officers in Canada were appointed next month, they would have all the preliminary work done and arrangements made. In addition to that, under former conditions, no returning officer could be picked out beforehand. Under the new act all that can be arranged and all preliminary matters provided in such a way that only under the most exceptional circumstances would it be possible that the ballots could not reach the polling place in time. It does not seem wise to butcher up the act by making exceptions for conditions which only arise under the most unusual circumstances.

Mr. KENNEDY (Edmonton): I should like to point out that in this case the returning officer in the last election, Mr. Hunt, of Edmonton, knew his business, and it was not through any neglect or lack of knowledge or anything of that sort, but arose owing to the difficult conditions of travel from the city of

Edmonton to the Peace river and Fort Vermilion down the Peace river. We have a large settlement there, large enough to have an experimental farm, and they have a right to be protected so far as it can be done. In a constituency where to certain points the distance to be travelled is 650 miles from the point where the returning officer is located, it is not unreasonable to ask for three weeks' time, especially where the ballot boxes must be delivered by team.

Mr. IRVINE: Would the fact that the returning officers are to be appointed beforehand make any difference?

Mr. KENNEDY (Edmonton): None whatever, because in this case the returning officer knew his business.

Mr. LUCAS: What is the objection to the six weeks period we have had in the past?

Mr. COPP: We have not had it in the past, except in the last election, where it was provided that two weeks should expire between nomination and polling. Representations have come from a great many constituencies that that period is too long. Before the election of 1921 we had only seven days between nomination and polling and that provision was changed in 1921. In the great majority of constituencies throughout Canada it was recommended that seven days was a long enough period, but some of the larger constituencies such as those mentioned by my hon. friend are exceptions, and to take care of those constituencies the period is left at two weeks; in all other constituencies it is seven days, and that seems to be the consensus of opinion.

Mr. BRETHEN: The minister said that certain representations have been made for a change. What are they?

Mr. LAPOINTE: It was thought advisable, I understand, to have all the elections on the same day. That is why the period of fifteen days was put in the statute instead of seven days, which has always been the period since confederation. Why should 220 constituencies of Canada suffer by reason of the fact that in fourteen or fifteen constituencies seven days is not sufficient delay? It has been thought advisable to have the same system as prevailed in some other provinces. In the province of Quebec, in the large constituencies, nomination takes place seven days before nominations are made in the other ridings; so that the same end will be obtained and elections will be held on the same day. In some fourteen or fifteen constituencies nomination will take place seven days earlier. Surely fifteen days is sufficient time between nomination and polling, and I cannot believe that my hon. friend is serious in asking that three weeks should elapse between nomination and polling day. He does not want to be electioneering all the year.

Mr. KENNEDY (Edmonton): I am serious, all right.

Mr. EVANS: My hon. friend says 220 constituencies would suffer. In what way?

Mr. LAPOINTE: Because of the increased expense and trouble. Everybody knows that the real election starts on nomination day in most constituencies. Perhaps this is not the case in my hon. friend's constituency, but the big work is done between nomination and polling. We have to hold our committees in all the different places, and it is expensive for poor men like myself.

At one o'clock the committee took recess.

The committee resumed at three o'clock.

Mr. STEWART (Leeds): I desire to point out some objections I offered in the special committee to which this bill was referred. I think it is desirable that the day of nomination throughout the Dominion should be uniform, as is the day of election. The Elections Act as it stood before provided for fourteen days between the day of nomination and the day of polling, but the act as reported by the committee reduced it to seven, except as regards certain large constituencies named in the schedule. I contend that fourteen days is short enough in any case. Let us see what the returning officer has to do. He cannot assume until after the nomination that there will be a contest. It is true, as pointed out by the Minister of National Defence (Mr. Macdonald, Pictou), that he can make a certain amount of preliminary preparation, but there is much to be done and much that cannot be done until after nomination. He must get his ballots printed. Suppose there is no printing office where the returning officer lives—and this is not at all improbable—he will then have to get in touch with one probably some distance from his residence. As we all know, printing offices at election times are crowded with work; they have more than they can do. There is therefore always a delay in the printing of ballots at these smaller offices. When the ballots are returned to him, after perhaps two or three days' delay in the printing office,

the returning officer must stamp every one of them with a special stamp. Then he has to sort them and get them in their proper quantities for distribution to his deputies. He must also distribute his ballot boxes to the deputies, and the instructions contained in the act require that the ballot boxes shall be distributed by mail wherever this is possible. Then he has to swear in his deputies and make all preliminary arrangements for the poll. If there is bad weather and the roads are in poor shape there may be delays in the mailing of the boxes, which must reach the deputy returning officer in time. This is unfair to the deputy returning officer, because if we allow only seven days between nomination and polling it will leave practically no time for him to become familiar with all his duties. And the act is not at all easy to understand, nor is it easy to comply with all its requirements. Formerly when the seven-day period was allowed, we all know, it often happened that the deputy did not get the ballot boxes until midnight of the day before polling, and he went into the polling booth poorly equipped for his duties. That will happen again. I fear therefore that we shall have very serious errors some of which probably will invalidate elections. There is not enough time if you reduce the period from fourteen to seven days.

Mr. COPP: As to the instructions to the returning officer, they are given as soon as the writs are issued.

Mr. STEWART (Leeds): He will have, no doubt, a certain circular containing instructions, but he will not have all the material necessary to equip himself properly for the discharge of his duties. There are certain other provisions of the act with reference to nomination day which I submit cannot be complied with in seven days. The statute provides that at least two days before polling the boxes shall be delivered to each returning officer. That cannot be done if we allow only seven days between nomination and polling; the returning officer will not have sufficient time to have the ballots printed, stamped and distributed in four days.

Mr. LAPOINTE: How was it done formerly? In Ontario the time allowed was always seven days until the last general election. Were any elections invalidated as a result of the shortness of time?

Mr. STEWART (Leeds): But this act is much more complicated; there is much more to be done by the returning officer.

Mr. LAPOINTE: Not so far as the printing of the ballots is concerned.

Mr. STEWART (Leeds): He has to stamp all the ballots, and that is a comparatively new provision; it was not done many years ago. I would refer the committee to page 125 of the Elections Act and the instructions therein given. It is there declared that two days before polling day the ballot boxes shall be delivered; and that cannot be done. The registrar is also required to deliver a list on nomination day; so the candidate will have it only seven days before the election. Schedule (a) of rule 15, at page 128 of the pamphlet copy of the act provides that on the twelfth day before polling day the revising officer shall perform certain duties, but he cannot perform those duties if nomination day is only seven days before polling.

Mr. HAMMELL: Those would apply to the old act.

Mr. STEWART (Leeds): No, they still remain in the act.

Mr. HAMMELL: Are they not to be changed according to the amendments?

Mr. STEWART (Leeds): If that seven days stands, there must be a change, but the act does not refer to that.

Mr. COPP: What section is my hon. friend referring to?

Mr. STEWART (Leeds): To rule 15 of schedule A. It says that:

> On the twelfth day before the polling day the revising officer shall,—
> (b) deliver or mail by registered letter to each of the candidates a statement of such changes,—

And so on. The printing of these voters' lists is not to be done until after nomination day. How is that possible if the seven-day period stands? This whole act is framed on the basis that fourteen days shall elapse between nomination and polling, and the duties are to be discharged on that basis. Rule 5 at page 135 provides that:

> Every registrar having revised and corrected such retained copy of the voters' list compiled by him shall write at the foot of such copy and close to the last name thereon, on the ninth day before the polling day, a certificate in the form of the certificate contained in said form No. 11 to this act. He shall also on the same day deliver or mail by registered letter to each of the candidates a statement of the additions made to and of the changes made in the list retained pursuant to these rules.

How can he do that if the nomination is not until seven days before the election? I submit, Mr. Chairman, that it should be at least fourteen days as in the old act.

Mr. GUTHRIE: Mr. Chairman, I had something to do with this act when it was originally prepared and passed through the House, and at that time, after careful calcula-

tion, it was considered that fourteen days was the least time that could elapse between nomination day and polling day. The idea in the first instance was not to change the old seven-day limit, but it was found that the act could not be worked out in seven days, and consequently fourteen days was inserted. Personally, I am in favour of the seven-day limit if the act can be made workable under it, but I see the difficulties which my hon. friend from Leeds (Mr. Stewart) has pointed out in regard to the duties which must be performed by the deputy returning officer twelve days before the poll and nine days before the poll. We shall not know twelve days before the poll who the candidates are if the seven-day period is allowed to remain. I discussed this matter with the chief electoral officer when the original bill was before parliament, and I also had a word with him on the subject yesterday. He seemed to think that the provisions of the act could be worked out in the seven-day period, but I must confess that in our discussion we entirely overlooked the provisions of rule 15—at least I did not bring it to his attention, nor did he bring it to mine. If rule 15 is to stand, certainly we must have longer than seven days between nomination and election. My own preference is for a seven-day period if it is possible.

Mr. COPP: Rule 15, schedule A, has been amended, apparently with the intention of making it apply, but I fear the change has not been made satisfactorily.

Mr. STEWART (Leeds): I would point out that on occasions prior to this act which we are considering, our voters' lists were complete, in the rural districts at least. Under this act provision is made for the candidate to get the voters' lists on nomination day. What position is he in seven days before election? Fourteen days is short enough. I think it was very wisely provided that there should be a lapse of fourteen days in fairness to the candidate, to the officials and to the public.

Mr. COPP: Rule 15 in the old act reads as follows:

On the twelfth day before the polling day the revising officer shall,—

(a) initial all changes or additions made by him to each list of a polling division, and shall write and sign at the foot or end thereof the words following—

And so forth.

(b) deliver or mail by registered letter to each of the candidates a statement of such changes or additions as he has made in the lists of voters on appeal.

Mr. GUTHRIE: There will not be any candidates then.

[Mr. Guthrie]

Mr. STEWART (Leeds): Not only that, Mr. Chairman, but following what the Secretary of State (Mr. Copp) has just mentioned, there is clause (c):

—cause to be printed such number of such lists as the returning officer may advise—will be sufficient for the purpose of the election.

Now, he does not know that there will be an election. Only one candidate may be nominated, and therefore it would not be necessary to print any lists at all. The clause proceeds:

Such printing shall be superintended by the revising officer's clerk.

It would be unworkable. If this change is made we could not carry out either the provisions or the spirit of the act.

Mr. COOTE: Mr. Chairman, I should like again to make a plea for some of the constituencies in western Canada where I think the returning officers will find great difficulty in getting the ballot printed and distributed to all the polls within seven days after nomination. The constituencies of Macleod, Red Deer and Strathcona run right west into the mountains, and in case of bad weather, some of the out-lying polls will have to be reached by team. I do not see how it is going to be possible in quite a number of cases to get the ballot printed and distributed to those outlying polls within seven days. I believe that we are simply inviting trouble if the government insist on the section going through as drafted.

Mr. LUCAS: Does the act state how many days must elapse between the date of the proclamation and the polling day?

Mr. COPP: There is no definite provision in regard to it.

Mr. LUCAS: Did I understand rightly in the debate the other day that an election might be held within forty-five days after proclamation?

Mr. COPP: Forty-five days would be the shortest possible time.

Amendment (Mr. Kennedy, Edmonton) negatived: Yeas, 28; Nays, 66.

Mr. STEWART (Leeds): In order to carry out the views which I have expressed—

Mr. LAPOINTE: I think I can make an explanation which will meet my hon. friends objection. Rule 15 says:

On the twelfth day before the polling day the revising officer shall,—

(a) initial all changes or additions...

(b) deliver or mail by registered letter to each of the candidates a statement of such changes or additions as he has made in the lists of voters on appeal;

(c) cause to be printed such number of such lists as the returning officer may advise will be sufficient for the purpose of the election.

These are preliminary lists. Rule 16 says:

Upon completion of printing the revising officer shall carefully compare the printed lists with the originals in his hands, and make all necessary corrections. . . .

And twelve copies of such printed lists shall be sent to each of the candidates or their agents—that is, after the printing is done. Then, rule 17 says:

The revising officer shall so provide that the printing of such lists shall be completed and copies thereof be delivered to the candidates or their agents at least four days before the polling day.

These are the complete lists. I would point out that under paragraph (b) of section 2 of the act, the word "candidate" does not necessarily mean one who has been formally nominated on nomination day; it means one who has announced himself or has been announced as a candidate by his friends after the writs are issued. Under paragraph (b) of rule 15 these alterations and changes are to be sent by mail to persons who are known as candidates by the revising officer, and the printed lists are sent after nomination day to the candidates who are in the field. I do not think there is any conflict in the matter.

Mr. STEWART (Leeds): How can the returning officer know who is to be the candidate before the official nomination?

Mr. LAPOINTE: The bona fide candidate will let it be known to the revising officer that he is a candidate.

Mr. GUTHRIE: I submit that that is not the meaning of the act. We must have something definite; we cannot leave it in the hands of the revising officer to send this to whom he desires and then say he did not know who were candidates. If we are going to have the seven-day term we will have to amend these rules, and that may be possible. But do not let us have a slipshod, slovenly way of dealing with a very important clause in the Elections Act.

Mr. LAPOINTE: The word "candidate" under that rule has the same interpretation as it has in all the other clauses of the act.

Mr. GUTHRIE: I understand that, but there is no candidate legally until the nomination is made, and the act has been drawn with that end in view.

Mr. STEWART (Leeds): The returning officer is required to print a certain number of lists which he may think necessary for the election and he is to do that on the twelfth day before polling day. That provision was put in on the assumption that he knew fourteen days before the election day how many lists would be required or whether there would be a contest at all. He cannot know until the nominations are made whether or not any lists are going to be required.

Mr. LAPOINTE: It says:

—cause to be printed such number of such lists as the returning officer may advise will be sufficient for the purposes of the election.

Surely that is broad enough.

Mr. STEWART (Leeds): Why should he incur the expense of printing if one candidate is nominated?

Mr. NEILL: Rule 15 applies only to urban districts; therefore the contention that seven days is not enough in country places does not apply. It would be in order, therefor, to change "twelve" to "six". That would meet the objection of my hon. friend.

Mr. STEWART (Leeds): I move that section 21 of this bill be struck out.

The CHAIRMAN: A motion cannot be made to strike out the whole section. Hon. members who desire to do so may vote against the motion of the minister that the section be carried.

Mr. STEWART (Leeds): The effect of doing away with the section would leave it as it is in the act, namely, fourteen days before polling.

Mr. COOTE: Do I understand that the amendment of the hon. member (Mr. Stewart, Leeds) is not accepted?

The CHAIRMAN: He suggested an amendment to strike out the entire clause.

Mr. COOTE: Then I would move that section 21 be amended by striking out the word "seven" in line 25 and substituting therefor the word "fourteen." My only reason for submitting this amendment is because I have not yet heard any suggestion from the government as to how the difficulty is going to be met in the large constituencies that are not included in the schedule. I am very much afraid we are going to have trouble there, that it will not be possible to get the ballots printed and in the hands of the returning officers within seven days after nomination, and I do not see any better way in which I can put my views before the committee than by presenting this amendment. I do not see why it should not be accepted.

Mr. STEWART (Leeds): My hon. friend's views will be met by striking out this section

altogether, because it would then be fourteen days in all constituencies.

Mr. GUTHRIE: I think this is too important to let go through without consulting the Chiel Electoral Officer. If we are going to amend the rule, well and good, but I am satisfied the rule will not work under this clause. I want to see the seven-day clause retained. I want to see a workable act. This says that on the twelfth day before the election the returning officers shall do something in respect of the candidate, and on the ninth day before election he shall do something in respect of the candidate. Let us assume that there are no candidates announced on the ninth day before the election, how is he going to carry out his duties? On the 7th day we will say there are a dozen nominees.

Mr. COPP: He would send out the lists as soon as he knew about them.

Mr. GUTHRIE: Then he would not be complying with the law and anybody with a candidate could object that in his election he did not receive the list twelve days before the election. That is a practical difficulty.

Mr. LAPOINTE: That is an extreme case. Has my hon. friend ever known of an election in which there was no candidate announced before nomination?

Mr. GUTHRIE: I have known elections where there were candidates brought out on nomination day, and if that candidate can say that the election law has not been complied with, that on the twelfth day before election he did not receive a list which he was to have received, I do not know but that he could object to the election. We have a practical difficulty here. It is no use passing a new clause when your rules do not apply to that clause.

Mr. McTAGGART: I think we should appreciate the fact that there are in Canada, particularly in western Canada, a large number of rural constituencies. I do not know whether rule 15 applies to other than urban constituencies, and if not, I am not particularly concerned because I have the honour to represent a rural constituency. I think however, it would be impossible to get the ballot boxes distrubted to the various polls in seven days, and before we vote on this amendment I would like to have some assurance from the minister that where there are large rural constituencies, they will be added to the schedule when we come to section 38.

Mr. COPP: That might happen in some districts, but rule 15 does not apply to rural constituencies at all. In reply to the hon. member for South Wellington (Mr. Guthrie) it is the desire of the government and of the House to get a workable elections act, and as I think the majority are in favour of seven days between nomination and polling day, I would suggest that we carry the section and leave the bill in committee till the Chief Electoral Officer, who happens to be away to-day but who will be back to-night, is here; and if it is necessary to amend the rule we will do it.

Mr. GUTHRIE: Some of us may be badly surprised if on nomination day we are met with a new candidate, and he takes objection to the whole election.

Mr. COPP: We will not take it out of committee entirely until the Chief Electoral Officer comes back, and if it is necessary to amend the rules to apply to the section we will do it.

Mr. MEIGHEN: Why not let this thing stand, too? Once it passes there would be no possibility of having an honest election at all. If I were running and I felt I was not going to win, and I wanted to take advantage of the act, I would get another candidate out on nomination day.

Mr. LAPOINTE: Oh, well—

Mr. MEIGHEN: The minister says, "Oh well." I fancy he would be surer to do it than I would be. He would get a candidate out on nomination day, and that candidate could upset the election.

Amendment (Mr. Coote) negatived.

Section agreed to: Yeas, 60; Nays, 48.

Section 23 agreed to.

On section 5—Use of provincial voters' list.

Mr. COPP: This is a rather difficult clause, and I am very much confused in regard to it because it affects almost entirely the province of Ontario. The act as passed in 1920 provides that in every province the provincial lists, where there are provincial lists, are to be taken as the basis for the preparation of the voters' lists. The registrar is instructed to take that provincial list and from it to make up his preliminary list for further revision. During the last election the Chief Electoral Officer had some difficulty in regard to Ontario. Personally, I have not the knowledge as to how the provincial lists are made up in that province, but the Chief Electoral officer informs me there was considerable difficulty, when he came to prepare a list

in Ontario, in getting proper provincial lists from which to make up the preliminary lists for the election. The reason, I understand, was that there was no provincial list that was less than two years old. I think the act provides that any provincial list that is less than two years old can be used as a basis for the preparation of the list. I do not know what difficulty they had or how it was rectified, but I think there was some understanding in some sections, if not throughout the whole province, in regard to it. The Chief Electoral Officer drafted clause 5 in the bill in order to get over this difficulty. After some consultation, he admitted that he was somewhat in doubt whether this special clause actually provided the proper machinery from which to prepare the list. When the hon. member for South Wellington (Mr. Guthrie) came to see me and Col. Biggar, the Chief Electoral Officer, we talked the matter over and one or two amendments were suggested that might be used to cure the difficulty. As I say, personally I do not know the intricate work of making up the lists in Ontario, and I shall be glad to consider any amendment that may be suggested to overcome the difficulty which the Chief Electoral Officer has found. I shall be pleased to hear from any hon. gentleman from that province who understands the situation.

Mr. GUTHRIE: The Secretary of State is quite right in saying that when the act was passed in 1920, the intention was to utilize the provincial lists, where provincial lists were in existence, as the basis for the preparation of the Dominion list, and the clause was inserted in the act providing that where provincial lists existed that were not more than two years old, they should be accepted as the basis for the Dominion list. Two years was fixed upon having regard to the time limit in Quebec in connection with the revision of lists. It was the present Minister of Customs and Excise (Mr. Bureau) who made the suggestion and the government of the day adopted the two-year term. In the amendment as prepared to-day by the Chief Electoral Officer, the two-year clause is omitted, and it leaves Ontario in this position. Under the provincial law the voters' lists are prepared in three parts, parts I and II apply to municipal voters and provincial voters. Part III of the Ontario list applies only to provincial voters or manhood franchise voters. Part III is a list which is never actually completed unless a provincial election is pending. It is the duty of the municipal clerk annually to prepare such a list as part III, but until word is received from the Provincial Secretary, the list is not printed. It so happens that last year, while there was no provincial election, there was a provincial plebiscite, and the clerks of the municipalities prepared part III and part III was printed. But it was printed for the purpose of taking the vote on the Ontario Temperance Act. I believe it was looked upon as a very complete and excellent list. The vote upon that list took place on the 23rd October of last year and it is still available, I believe. But the trouble is this. Municipal clerks, in many instances in Ontario, have treated that as an election list although it was only for the purpose of a plebiscite, and they have not this year made up part III at all. In some municipalities part III exists, but in others it is said that part III has not been prepared and will not be printed or available until probably December 1 of the present year. It is rumoured that we might possibly have an election this year, and if that election comes before 1st December, I doubt if there would be in existence provincial lists containing part III which is the large body of manhood franchise voters. The list prepared last October is available and could be used if the language of the amendment now before us were directed to its use. I had the benefit of a talk yesterday with the Chief Electoral Officer on the subject. He recognized the difficulty. The clause which he prepared, and which is in the bill before us, permits the use only of a list which is prepared for provincial election purposes. The Ontario Temperance Act was not prepared for an election in the province and it cannot be used unless we authorize its use. We drafted some amendments to get over the difficulty and I think the minister has them. I have gone over them very carefully and I think they cure the difficulty. The department of the Secretary of State in Toronto has also communicated this difficulty to the Chief Electoral Officer. His suggestion to cure the matter is as follows and if the minister would move it, I think the committee would do well to agree to it:

(4) The lists used for the purpose of a plebiscite held on the 23rd day of October, 1924, in the province of Ontario, may be used at any election in the said province, provided

(a) That no later lists, which would be used under the laws of the province at a provincial election commenced at the same time, have been subsequently prepared under the said laws; and

(b) That the writ for the election under this act is issued on or before the 22nd day of October, 1926. The Chief Electoral Officer shall direct when the provisions of this subsection are to apply.

Then the Chief Electoral Officer intimated to me and the minister that he also thought he should have a discretion as to a right to rule what this should apply to, and he

has drafted another clause in the following language as subsection 3:

(3) If any question arises as to whether any list, or which of two or more lists, prepared under the laws of a province, should be used pursuant to such laws at a provincial election commenced at the same time as the election under this act, the Chief Electoral Officer may direct the use under this section of such list as should in his opinion be used, and such list shall be used accordingly.

This applies only to urban municipalities, towns or cities having a population of over five thousand. The difficulty in large cities will be very grave if we have no voters' lists. It will be well nigh impossible to register the number of voters entitled to register in cities like Windsor, Hamilton, Toronto or Ottawa unless there is a basic list, and the basic list has been part III of the provincial voters' list, which unfortunately, in many instances, in many years does not exist and in many instances will not be issued before December 1. If the government assures us there will not be an election before December 1, this discussion will be unnecessary, but if there is a fall election, we shall have trouble in Ontario unless some such clause is inserted as that suggested by the Chief Electoral Officer.

Mr. MALCOLM: Does the hon. member think the lists made up at the time of the plebiscite will be reliable lists? There will be the difficulty, for instance, of municipalities which were in favour of the drys and where the officers might have prepared the lists accordingly; in other communities there was a strong feeling towards the wet ticket. Lists are not always fair that are prepared for a plebiscite. There is, therefore, very grave danger of such a list being a poor list.

Mr. GUTHRIE: It is not the conclusive list. It is only the basis of a list. It is the list which the returning officer takes in the first instance and places on his voters' list. There is power to strike off or to add. In the city which I have the honour to represent that list comprises over 2,000 names. In larger cities it runs into 10,000 or 20,000 names. If you have no basis and all these voters have to be registered, there will not be time to do that. There is no unfairness in taking that as a preliminary list with power to add or to strike off.

Mr. MALCOLM: Would it not be better in rural districts to make up a new list altogether?

Mr. GUTHRIE: This only applies to cities of five thousand and over.

[Mr. Guthrie]

Mr. HEALY: What would be the objection to using the municipal lists as the basis?

Mr. GUTHRIE: They will be used under part I and part II. They are printed and all ready. I have been informed that in the city of Windsor they will not have any list under part III, taking it for granted that the last list printed in October for the plebiscite was the right list. Part I and part II are completed, but part III is not.

Mr. EULER: According to many reports of which I have no definite knowledge, the list on which we voted on the plebiscite last fall were made up quite unfairly in many instances. We saw reports in the newspapers in regard to the plebiscite vote that in certain cities in Ontario thousands of names were placed on the lists that should not have been there at all. I think we would be on safe ground if we took the lists that are absolutely unassailable, prepared for example by the municipal authorities. I think I would prefer that in the cities and towns the municipal lists should be taken as a basis and such other names added as might be found necessary. I should like to say to the hon. member for South Wellington (Mr. Guthrie) who tells us that if thousands of names were placed on the list when we voted on the plebiscite last year, those names may be struck off. But if thousands of such names appear on the list we will find a very practical difficulty in having them struck off. It will be difficult to find the names of those who should not be on the list. For that reason I would feel inclined to submit a motion that would have the effect, of making municipal lists the basis in urban districts; and in the rural districts if you like, we could have entirely new lists made up. Then we will be sure of having a voters' list to which no possible exception could be taken.

Mr. BLACK (Huron): Would that not answer the purpose in the rural parts as well as in the cities and towns?

Mr. EULER: I understand the lists there are not quite as up-to-date.

Mr. BLACK (Huron): That has always been the contention in the rural parts of the province.

Mr. EULER: If we did that with regard to the rural parts, I think Ontario would be on exactly the same basis as the prairie provinces.

Mr. BLACK (Huron): I think it has always been the desire with us to take the clerk's list.

Mr. MACKENZIE KING: I understand a message has been received from the Senate stating that they have agreed to our request for a conference in regard to amendments made by the Senate to Bill No. 182. It would facilitate matters if we could hold the conference this afternoon and I would ask that the committee rise and permit the Speaker to read the message. I therefore move that the committee rise, report progress and ask leave to sit again.

Progress reported.

HOME BANK DEPOSITORS

Mr. SPEAKER: I have the honour to inform this House that a message has been received to acquaint this House that the Senate doth agree to their request for a free conference desired with the Senate for the purpose of communicating the reasons which induced the Commons not to concur in the amendments made by the Senate to the Bill No. 182, intituled: An Act for the Relief of the Depositors of the Home Bank of Canada; and have appointed the honourable Messieurs Foster (Alma), Foster (the right hon. Sir George), Black, Lougheed (Sir James), Aylesworth (Sir Allen), and Beique, as managers on their part at the said conference and also that the managers of the free conference on the part of the Senate will meet in Senate Committee room No. 262 at five o'clock this 25th day of June, 1925.

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That Messrs. Graham, Murphy, Lapointe, Robb, Macdonald (Pictou) and Malcolm, be appointed Managers on behalf of this House of the free conference with the Senate with respect to the amendments made to Bill 182. An Act for the relief of the Depositors of the Home Bank of Canada, and that a message be sent to the Senate to acquaint their Honours therewith.

That the Clerk of the House do carry the said message to the Senate.

Motion agreed to.

DOMINION ELECTIONS ACT AMENDMENT

The House resumed consideration in committee of Bill No. 148, to amend the Dominion Elections Act, Mr. Gordon in the chair.

Mr. MURPHY: The objection taken by the hon. member for North Waterloo (Mr. Euler) to using the lists prepared for the referendum vote last October is an objection which will apply only to this province. The newspapers of the time drew attention to the fact that the list in question contained the names of a great many voters who had either long since ceased to exercise their franchise or who were unknown in the particular localities in which their names appeared on the list, as well as a variety of other people who, under ordinary circumstances would not have their names upon the list. For that reason it would in my judgment be a mistake to make such a list the basis for a list under this act, and the suggestion made by the hon. gentleman might be followed. My hon. friend from South Wellington pointed out that under part III the old lists may not be available in Ontario, but as the section under consideration applies only to cities it does not seem to me to be an insuperable difficulty, if it is decided to have some system of registration or an adoption of the municipal lists used in the last municipal election immediately preceding the Dominion election.

Mr. STEWART (Leeds): How would they get the information for registration?

Mr. MURPHY: Might a list not be prepared covering the point under consideration?

Mr. STEWART (Leeds): It involves thousands of voters who ordinarily would appear in part III of the list, and the preparation of such a list would entail a tremendous amount of work. If there is a list available why not adopt it and so avoid extra work?

Mr. MURPHY: I do not think there is available any list in regard to which there would be a consensus of agreement. I know from experience that there is a great deal of work connected with registration, but this is a practical difficulty which must be met in a practical way, and unless some effective method can be devised I think it might be well to adopt that or some other method akin to it.

Mr. STEWART (Leeds): In the cities there is a list which is as complete as, and perhaps more complete than, the list that would be used at an election, namely, the list used in a plebiscite, which involves questions of just as much importance and interest as any ordinary election. Why not use that list as a basis?

Mr. BRETHEN: I believe that in the rural districts the lists used in the last plebiscite in Ontario were quite accurate, and practically every name was registered, even on the sworn testimony that those whose names appeared were eligible to vote. Some question was raised in the cities owing to the fact, as alleged, that large numbers that required to be registered within the time at the dis-

posal of the officers were not sworn to by anyone. That was not true in the rural districts. I believe that the plebiscite lists there were as accurate as any lists could be in a rural district, and I think they should be accepted as the basis to go on.

Subsection (1) agreed to on division.

On subsection (2)—Printing provincial lists.

Mr. EULER: There is a good deal of doubt in the minds of Ontario members in regard to this subsection. I suggest that it be allowed to stand for the time being.

Sir HENRY DRAYTON: That is the only clear part of the thing.

Mr. COPP: If there is any doubt we can let the section stand.

Section stands.

On section 38—Schedule four.

Mr. McTAGGART: I move that the constituency of Maple Creek be added to the schedule in the list under Saskatchewan.

Amendment agreed to.

Mr. COPP: I move that the constituency of Provencher be added to the Manitoba list

Amendment agreed to.

Mr. STIRLING: I move that the constituency of Yale be added to the list for British Columbia.

Amendment agreed to.

Mr. COOTE: I move that schedule four be amended by adding the constituency of Macleod to the Alberta list.

Mr. COPP: I have no information regarding this and some of the other constituencies that have been added to the schedule. I may explain that as regards the constituencies of Provencher and Maple Creek, hon. gentlemen representing these ridings interviewed me and explained the necessity for adding them to the schedule. I accepted their explanation. There has been no intimation however regarding the others and clearly we cannot go on adding constituencies indefinitely. If this is the last one I do not mind including it in the schedule.

Mr. COOTE: I have already three times pointed out the necessity for this addition and I was afraid that the committee might be impatient if I spoke again on the question. The constituency of Macleod is bounded on the west by the Rocky mountains for a distance of 160 miles and there are a number of polls that are difficult to reach on account of the mountain trails. If the weather is bad, they must be reached by horse and buggy; in the last election some ballot boxes were sent part of the way by horseback. The reason for asking that this constituency be added to the list is much the same as might be given in the case of any other constituency. I am afraid that in the limited period of seven days some of the polls will be left without any ballot boxes on election day and that is my only reason for moving this amendment.

Mr. COPP: If this is the last one I accept it.

Amendment agreed to.

Schedule as amended agreed to.

Mr. STEWART (Humboldt): Mr. Chairman, I move:

That the bill be amended by adding thereto anotner section, to be known as section 39, which shall provide as follows:

Section 21 of the said act is amended by adding thereto the following:

"Provided that for any general election not less than sixty days shall elapse between the date of the issue of the writs of election and the polling day."

The amended section would then read:

The writs for an election shall be in form No. 1 and be dated and returnable on such days as the Governor in Council determines, provided that for any general election not less than sixty days shall elapse between the date of the issue of the writs of election and the polling day.

The other day we debated the advisability of providing that not less than sixty days be allowed to elapse between the issue of the writ and the polling day. I do not desire to take up the time of the committee by again debating this point, but I would direct the attention of hon. members to the fact that the act applies not only to constituencies in western Canada, where they are very large, but to many in other parts of the Dominion where I believe the campaign cannot be carried out in less than sixty days. In the amended bill we have provided that the machinery necessary for the conduct of an election could be put in action and the campaign completed in less than sixty days. This amendment which I am moving would provide that the full sixty days shall be allowed, regardless of the time that may be necessary for the transaction of the various matters of business that are provided for.

Mr. MACKENZIE KING: Mr. Chairman, the following information, I think, should be sufficient to convince the committee of the undesirability of this amendment. The other day I asked the Chief Electoral Officer to find

out what time had elapsed between the date of the issuing of the writs and the date of the poll in every general election since confederation. The first three elections having taken place on different days, it was not possible to give the figures, but he has supplied me with the following information: In the election of 1878 the writ was issued on August 17 and the date of the poll was September 17—31 days. For the other elections the respective dates were: 1882, May 18 and June 20—33 days; 1887, January 17 and February 22—36 days; 1891, February 4 and March 5—29 days; 1896,—hon. members will recall that the Tupper administration had stayed in office the full five years, and they stretched the interval to the full sixty days; this is the only occasion where sixty days have elapsed between the issuing of the writ and the date of the election, the respective dates being April 24 and June 23; 1900, October 9 and November 7—29 days; 1904, September 29 and November 3—35 days; 1908, August 3 and September 21—49 days; 1917, October 31 and December 17—47 days; 1921—the last election—October 8 and December 6—59 days. Now, my hon. friend from Humboldt suggests that we should make the period sixty days. Well, I ask the committee if that would not be an intolerable situation? It does not follow, as has been said repeatedly, that because the writs must issue on a certain date the elections will necessarily be limited within that period. The last election began in the month of August and ended on December 6. According to the statement of the Chief Electoral Officer forty-five days is the least possible time within which the polling could take place after the issuing of the writs, assuming that everything goes without a hitch. The government in planning the date of the election unquestionably will be governed by the advice of the Chief Electoral Officer, and with forty-five days as the minimum, and nothing to restrict us in the other direction to take as many extra days as we want, I submit it would be very foolish for the House to bind itself to a period of sixty days.

May I again remind the House that there is a certain obligation on our part to the business community not to have the country in a state of turmoil over an unnecessarily lengthy period, and while sixty days might serve a useful purpose on one occasion, on other occasions it would be altogether too long a time. Having regard to the circumstance that in all the previous elections, with the exception of the one that I have referred to, sixty days has been found unnecessary and has never been used, I submit that there is no necessity at this stage of our development to alter our election law in that regard. May I point out this further circumstance, that in the early elections the constituencies were much larger than they are to-day, that they were more sparsely settled, and that the means of transportation did not begin to be what they are to-day; we had fewer railways and the automobile was unknown. Why should we at this time want to take up a period for election purposes that all our governments since confederation have found wholly unnecessary and inadvisable?

Mr. STEWART (Leeds): Mr. Chairman, I desire to point out two or three respects in which our election machinery has changed over the period referred to by the Prime Minister.

Mr. MACKENZIE KING: Let us change the machinery and not the period.

Mr. STEWART (Leeds): There is good reason for lengthening the period because the machinery has changed. The right hon. gentleman will recall that in the earlier years we had a Dominion franchise that differed from the provincial franchise; and we had our own lists which were prepared and ready in advance of an election. I think it would be about 1900, or some time shortly after, that the Dominion franchise was repealed and we adopted the franchises of the various provinces, and also their lists. The last act provided for bringing the lists down to date by registration in towns and by enumerators in rural districts, and a great deal of machinery was set up, involving a lot of work in connection with elections to-day under this act that formerly had not been necessary. All this work has to be done from the issue of the writ, everything dates from that time, and really sixty days is not too long an interval within which to accomplish it. Any shorter period does not give the candidate an opportunity to take all the steps in connection with his campaign to which he is entitled and which are necessary. I think sixty days is not at all too long between the issue of the writ and the polling.

Amendment (Mr. Stewart, Humboldt) negatived; yeas, 46; nays, 78.

Mr. NEILL: I would like to be permitted to revert to section 3 for the purpose of making an amendment. This is the same amendment I moved a few nights ago, but owing to a mistake the vote was not taken. As you are aware, Mr. Chairman, there was the usual noise going on. There was no opposition to my amendment and I presumed that it was

going through unchallenged, and when the chairman said the "nays" had it I understood him to say the "ayes" had it, and I did not challenge the vote. It is a very important matter for British Columbia, and I hope the committee will see its way to allow the vote to be taken now.

The CHAIRMAN: I may say to the committee that there was an error on that occasion. Some confusion occurred as to the amendment submitted by the hon. member. He spoke to me immediately after the vote had been taken, and apparently the result of the vote was not understood either by him or by others.

Mr. NEILL: If I may be permitted, I will present the amendment. I move, seconded by the hon. member for New Westminster (Mr. McQuarrie) to amend section 30, subsection (g) by striking out all the words after the word "act" in the fifth line. As I say, this is a very important matter for British Columbia. The Dominion Elections Act as it stands at present gives a certain number of orientals in British Columbia the right to vote—those who had a discharge from the army during the late war. That feature is very objectionable to British Columbia, because that province does not allow any oriental, for any reason whatsoever, to vote in the provincial elections, and does not want anything of the kind carried into the Dominion elections. I wish particularly to avoid introducing into this discussion any altruistic consideration as to whether it is Christian, or wise, or right, or friendly, or kind, to refuse to a naturalized British subject the right to vote. We do not need to go into that, because the matter has been discussed and decided again and again. Let me quote one sentence from a member of the late government which puts the matter in a nutshell. I quote from Hansard of April 29, 1920. He says:

> There is a popular impression both in the House and outside that in some way or other the mere fact that a man is a British subject entitles him to vote. That is wholly a wrong impression. British citizenship carries with it no right to vote. So far as I know citizenship in no country carries with it the right to vote. The right to vote is a conferred right in every case.

Mr. CRERAR: From whom is my hon. friend quoting?

Mr. NEILL: The hon. member for South Wellington (Mr. Guthrie) who was Solicitor General in the late government when he used that language. Thirty years ago British Columbia passed an act in which it was provided that no oriental should vote. It was a very important decision and the Japanese nation appealed it through every court in the land, and finally took it to the Privy Council. A written decision was given by the Earl of Halsbury who was one of the ablest jurists of that century. I shall not quote his judgment, but it was in the case of Cunningham vs. Tomy Houma in 1903. He reiterates what the hon. member for South Wellington said, and he deals fully with the subject. He points out that it has been recognized in all times, even under the British constitution for many years, that the right of a naturalized British subject does not carry with it the right to vote. So we may take it for granted, on the authority of the highest courts of the empire, that British Columbia has the right to refuse a naturalized alien subject the right to vote. We need not, therefore, discuss that issue; in any case, it is not the point of my argument. Now, as regards these returned men, we dealt with that subject fully in the British Columbia legislature in 1919. At that time the Franchise Act was being amended. A committee of these Japanese returned men met a committee of white returned men, members of the House and members of the government, and they came to the conclusion, which was unanimously adopted, in the Franchise Act, that whatever British Columbia owed these men it was not wise and not in the interests of both races—that was emphasized—to give them the vote, because it would lead to friction, entanglements and trouble in ways that I will indicate later on. In addition to putting it in the Franchise Act they adopted the following resolution uninmously:

> That this legislature is strongly opposed, on economic and social grounds, to allowing any oriental to vote in this province, either in provincial or dominion elections, and therefore urge the Federal government to take no steps that would interfere with the undoubted right of the province to prescribe the form and extent of its own franchise, and further urge the government of Canada, when defining its Dominion franchise, not to enfranchise orientals.

This is not some opinion of my own; it is a resolution unanimously adopted by the legislature of British Columbia, numbering, I think, forty-eight members elected from all over the province. Then there is the usual paragraph with regard to copies being forwarded to the Dominion government. Now we have not done an unfair thing by these returned Jap men. For a number of years, as the committee is aware, the policy of the government has been to restrict the number of Japanese holding fishing licenses in British Columbia in favour of white fishermen, and they are gradually being eliminated. But the

government, at the request of the members from British Columbia in this House, made the provision that that exclusion would not apply to a Japanese fisherman who was a returned soldier. So as long as they live these Japanese will have the right to fish, a right that is not given to a white man simply because he is a returned man. That is a consideration which, capitalized, is worth perhaps a couple of thousand dollars to each man. I only mention that to show that the British Columbia members have not been prejudiced or narrow or unfair in their treatment of this matter, but they agree with the legislature that it is not wise, that it is not in the interests of either race, to begin to open the door by giving to orientals the right to vote. These are the indisputable facts; they can be easily verified.

Now, our claim is that that same restriction which we impose in British Columbia should be carried into the Dominion Elections Act. I should like to quote a sentence or two from the utterances of prominent statesmen of Canada bearing upon this subject. Here is one of them:

It is well known that the dominion franchise is in principle based upon the franchise acts which exist in the various provinces throughout the country.

The dominion franchise is based in principle upon the provincial franchise.

The effect is to recognize the right of the province, to make its own franchise and the principle of the provincial franchise is the one we adopt.

Again we find another man saying:

It was a settled matter that we should adopt the provincial qualification with as little variation as it was possible to allow. I think that it is the opinion of the House and the people that we should have regard to the wishes of the province of British Columbia in this matter.

And here is the opinion of a man that will not be challenged in this House, that of the present Minister of Justice:

I do not wish to be misunderstood. I favour the adoption of the provincial franchise for Dominion elections.

Here is another one:

All that is asked is that parliament shall respect the franchise law of British Columbia, as it respects the franchise law of any other province.

Mr. Bureau: Hear, hear.

I find that Sir Wilfrid Laurier said the franchise originates in the province, and must be carried into the Dominion. The right hon. leader of the opposition spoke as follows:

Does the hon. member say that in British Columbia there has been a breach of faith because for years past if not since the birth of that province they have refused the franchise to British subjects naturalized by the very same certificate, the Japanese and men of alien birth?

Is it a breach of faith that those two provinces have done this for years? There is not a shadow of a breach of faith.

Mr. MEIGHEN: Hear, hear.

Mr. NEILL: Finally I have the right hon. Prime Minister speaking along the same line:

Our Dominion is a federation of provinces, that in the distribution of seats in this House regard is had primarily to the provinces, each province being allowed a certain proportion in relation to the others, and that at all times the provinces of the Dominion have had regard for each other's problems, that nothing could be more unfortunate than that an effort should be made on the part of any province or group of provinces to coerce, so to speak, any other provinces in regard to any matter which was of great concern to it, that the federal government could not afford to ignore the prevailing sentiment in any province.

My amendment simply carries out the views I have quoted of the statesmen of the present day in Canada, that and that only. It affects Orientals only.

Now, the suggestion is made that this may create friction in Japan. Is it better to create friction in Japan, or to create friction in British Columbia? But there is no reason under the sun why there should be any friction in Japan. It is in the very best interests of the relations between the two nations that my amendment should carry, for this reason: If this amendment is not adopted, there will be friction and riot, and possibly bloodshed, in British Columbia. I know of what I speak. It very nearly happened at the last election. A bunch of husky loggers came to the poll at ten minutes to six and found ten or fifteen Japs there waiting to vote. They were not familiar with voting, they had never voted before, and these white men were anxious to cast their ballot. There was a good deal of friction, and it might have led to bloodshed but for the good sense of the returning officer, who broke the law and said, "I will put my watch back ten minutes and let you all vote." There is the danger of friction arising in British Columbia, and we do not want that.

Another thing: Have the Japanese asked for this? Not at all. Has their government asked for it? No. They were content with taking the test case to the Privy Council in 1903, and when they found that the highest court in the British Empire decided as I have indicated, they have since then made no application.

Now, what is the situation in Japan? Can a white man vote there if he is naturalized, if he is a returned man? Not if he were a whole regiment of returned men in his own person. Not only can he not vote for a member of parliament, but he cannot vote in the most trivial election in a village or a rural district. He cannot even become a member of a chamber of commerce in Japan. Japan—I have a

synopsis of the Japanese law here—very properly says, at least it is within their power to do so: We do not think a naturalized subject has the same patriotic instinct in him as the natural born. They are perfectly within their rights in doing that. They say no naturalized white man shall even be eligible to be a member of a chamber of commerce, let alone vote in an election. I am only asking that the Oriental in British Columbia shall be put on the same plane in regard to federal elections as he is on, and has been on for almost thirty years in regard to provincial elections in British Columbia. I am only asking that he be put on the same plane as the white man is put on in Japan. I am only asking that British Columbia's wishes as expressed in the unanimous resolution of the legislative assembly should be carried out. I am only asking for what I think is British Columbia's right to be allowed to prescribe its own franchise as indicated by the British North America Act and confirmed by nearly fifty years of precendent.

Mr. HOEY: Do the Hindus in the province vote in the provincial elections?

Mr. NEILL: No.

Mr. HOEY: How many oriental voters would there be?

Mr. NEILL: I am glad the hon. member mentioned that. There are under two hundred, and that two hundred are scattered over British Columbia, so this amendment would not affect my political fortunes, for instance, and even if it did, the country could get along without my being elected, but this is vital for British Columbia. It is not the number who will vote here or vote there, but the principle of the thing, because if these men are allowed to vote it will be said by-and-bye, why not their sons, their brothers and so on? It is the friction that will be produced that we are afraid of, the fear that there will be friction between the two races as a result, as has been the case before in a serious race riot in British Columbia.

Mr. BELAND: I must say, in the first place, that I regret extremely that I have to differ with my hon. friend (Mr. Neill) in his intention that the orientals who have thought proper to join the colours and fight the battles of Canada and the empire should be denied the exercise of the Canadian franchise.

Mr. BLACK (Yukon): Was it not the battles of Japan they were fighting?

Mr. BELAND: I am not at liberty to express a definite opinion upon that point. I am willing to believe, since they have lived in Canada, and many of them, I understand, were naturalized British subjects, that they were fighting the battles of Canada and of the British Empire. However that may be, I have no brief to defend particularly the orientals in Canada. I know that in certain parts of this country there exists a very strong sentiment that our immigration laws should be so framed as to preclude oriental immigration entirely. It has been admitted by the previous speaker (Mr. Neill) that in point of numbers, their right to vote could not be considered serious. In answer to a question which was put to him he said that probably not two hundred orientals would be affected by his amendment, should it pass this committee and the House. I agree with him that in point of numbers it is not a serious matter. On the question of principle I do not agree with him at all, because the real principle which is involved in his amendment is the depriving of the right to vote naturalized British subjects who have shared in the battles of Canada and the British Empire. I say it is proper that these men should exercise the right to vote in a Dominion election.

Representing in the government the returned men more particularly, I would really feel it a slur upon the men who have shared in the Canadian Expeditionary Force if at any moment it was proclaimed not only throughout Canada but throughout the British Empire and the world that in this country men were found good enough to go to the front and expose their lives for the sake of the country, but that when they came back here they were denied the most precious privilege that can be bestowed upon a Canadian citizen, that of the exercise of the franchise.

Mr. NEILL: Why not make it apply to Americans also?

Mr. BELAND: Americans are not British subjects.

Mr. NEILL: Some of these Japanese are not.

Mr. BELAND: I am sure they have the right to vote. Any man coming from the United States, living in Canada, having served in the Canadian expeditionary force and being a British subject is certainly entitled to vote at a Dominion election.

Mr. NEILL: He cannot be a British subject if he is an American. I said: Why not make it apply to Americans also? Why not give the same right to American citizens, many of whom served in the Canadian expeditionary force?

Mr. BELAND: The primary qualification of a man who can vote in a Dominion election is that he must be a British subject. My hon. friend has said—and I speak with all due deference; I respect his opinion—that the provincial franchise prevents orientals from voting. That may be so. I am not quarrelling at all with the provincial franchise. But what obtains in this parliament is the Dominion franchise. Moreover, my hon. friend has said: This will not cause any ill-feeling or friction in Japan. I am certain that with his keen intelligence and his deep understanding of international matters, he will admit with us all that any such movement or action on the part of the Canadian parliament, calculated to deprive former Japanese subjects who have become British subjects and who have fought in the Canadian army under the British flag, of the privilege to exercise their franchise, is likely to develop in Japan a very strong sentiment and to bring about friction which would be utterly undesirable. What I think should be done is, at least, that public recognition be given through parliament to those men who, regardless of their origin or race, fought under the British flag, if they live in Canada and if they are Canadians in the proper sense of the word. The consequences which would attach to an action of this parliament in compliance with the hon. member's amendment are very considerable and serious, and I would think the returned men generally throughout Canada would interpret any such action on the part of parliament as a reflection upon them all individually. That may be pretty strong language, but I am inclined to believe it is warranted by the circumstances should they develop as my hon. friend wants them to develop. Under the circumstances, I would beg hon. members not to support my hon. friend's amendment.

Mr. WOODSWORTH: I should like to support the position taken by the minister (Mr. Beland). The hon. member for Comox-Alberni (Mr. Neill) argues that British citizenship does not carry with it the right to vote. It seems to me that if that is so British citizenship becomes an absolutely empty thing, which none of us wants to see. In democratic countries, we believe each citizen ought to have a part in the conduct of the business of the country, and the citizen who is denied the right to vote is thereby precluded from having any voice in the conduct of the affairs of the country. Under such conditions citizenship would seem to be absolutely of no use.

With regard to the men who fought overseas, in Stanley park there is a very fine monument to the Japanese who fell during the war. We heard a good deal of criticism last night of the hon. member for Southeast Grey (Miss Macphail) because she suggested that we should have other types of monuments than those of stone. I presume there is no objection to having that stone monument to the Japanese who fell. But I would suggest that a much finer monument that could be erected side by side with it would be to give those who returned the right to take their share with the rest of us in the affairs of Canada, the Canada in whose interests they thought they were fighting. Now we understand that these men are to be rewarded by receiving some fishing licenses. Is that any reward for the risks they took or the part they played? I imagine a large number of returned men throughout the country would not be satisfied that some little material concession such as a fishing license should be considered a suitable reward for the action those Japanese took at that particular time. I would rather see an exhibition of what some of us have been instructed is British fair play, some little sense of gratitude in this regard, and a recognition of services rendered. Personally, I would by no means confine the voting privilege to this particular class. If Japanese are to be allowed to enter into our British citizenship at all, they should be allowed all the rights and privileges which go with that citizenship. The hon. member for Comox-Alberni has referred to the irritation of some loggers at the polls when some Japanese were trying to vote. I would suggest to him —and I think I know the loggers on the Pacific coast fairly well, that a large number of them are quite sympathetic with their fellow workers, the Japanese. I know they do not want a lowering of their standards. I know that in the past oriental workers have been imported in the attempt to lower the standard of white workers. I join with them in insisting that the standards of white workers ought to be protected. I would protest against the recent action of employing orientals at Nanaimo to help break the strike. But if these men are to be allowed in and to take part in building up our country, they ought to be given their rights. This is not entirely a provincial matter. I take it that citizenship in Canada ought to extend as far as Canada extends, and that the man who has a right to vote in Alberta, a Chinese or Japanese resident, if his business causes him to go to British Columbia, ought to retain that right in British Columbia. I hope the time may come when we shall amend our present laws so that citizenship in any part of Canada is good in all parts of Canada and carries

with it all the privileges which it may have in any one part. Undoubtedly, there are international complications. We have been told that the number of votes involved is not very great, but the effect in further irritating the Japanese may be quite serious. As I understand the matter, what the Japanese object to in the treatment which they have received at the hands of the Americans, is primarily the discrimination which brands them as an inferior race.

I received a few months ago a very interesting paper from Japan, the Japanese Times and Mail, of October 21, 1924, which contains a message from Japan to America and goes very thoroughly into the viewpoint of the Japanese with regard to their treatment on this continent. I will quote one paragraph which perhaps indicates their point of view. It reads:

> But Japan does resent a clause that, while not mentioning Japanese specifically, affects Japanese alone of all the races heretofore eligible to enter the United States and which, in an act of Congress, stamps Japanese as of an inferior race.
>
> Japan has no discriminatory legislation. Her laws regarding land ownership by aliens applies to all aliens. He- laws respecting the right of immigrants of the labouring classes to enter the country apply to the labourers of every land alike. No right or privilege is withheld from American citizens in Japan that is not withheld from all aliens, and the citizens of no land have any privileges whatever in Japan that are not shared in equally by the citizens of the United States.

Here the reference of course is to the United States, but the same criticism applies to the treatment of the Japanese by Canadians. If it is not an unfair advantage, I would like to quote a sentence from the remarks of my hon. friend for Comox-Alberni yesterday. He said:

> A man who would have good neighbours must be neighbourly himself.

I wish the hon. member would extend that very sound principle to the oriental—a man who would have good neighbours must be neighbourly himself. That applies not merely to the United States neighbours, but to our neighbours across the Pacific. It seems to me that, since it is recognized very generally that in the future the great conflicts are liable to be on the Pacific ocean, it is there that we shall have to work out our new principles of world brotherhood. The least we can do in a matter of this kind is to show ourselves neighbourly. The existing legislation does not affect any very large number of votes. It is, however, a gesture of good-will which I think is appreciated and will be reciprocated by those on the other side of the water.

[Mr. Woodsworth.]

Mr. McBRIDE: There is one phase of the question which has been entirely overlooked and to which I would call attention. A Japanese may become a Canadiar citizen, but in doing so he does not give up his Japanese citizenship, and in case of trouble between Japan and Canada a Japanese is in honour bound to side with Japan. That has been stated by a judge of the Supreme Court in British Columbia and has never been questioned. It was the same with the Germans. When the Germans were in this country and in England they became British subjects, but never gave up their German citizenships and after the war broke out they were just as much Germans as when they came into existence in their own country.

Mr. BLACK (Yukon): The best franchise is the provincial list, and although this legislation and the proposed amendment are applicable to other parts of Canada as well as to British Columbia, the greatest effect would be in British Columbia where the largest Japanese population in this country resides. British Columbia does not allow the orientals the franchise. The section of the act which the amendment seeks to delete overrides the wishes and the laws of British Columbia. In extenuation of that it may be said that it only affects a few, but as has already been stated in this debate, the principle is wrong, and there is no reason why the franchise should be extended to orientals simply because they fought with the Canadian corps.

Mr. BELAND: My hon. friend says that the Dominion franchise is based upon the provincial franchise. In Quebec the provincial franchise does not extend to women the right to vote, but in a Dominion election the women in the province of Quebec all vote, so that I think the principle is not adhered to in regard to the province of Quebec in that respect.

The CHAIRMAN: May I be permitted, in reference to the conference with the Senate which has been called, to state that Bourinot at page 278, referring to the practice of the House of Commons, says:

> When the time has come for holding the conference the Clerk will call over the names of the Managers who will proceed forthwith to the place of meeting.

The Clerk will now call over the names.

The Clerk of the House called over the names of the Messieurs Graham, Murphy, Lapointe, Robb, Macdonald (Pictou) and Malcolm.

Mr. BLACK (Yukon): The minister's observations in regard to the provincial voters' lists in Quebec are quite correct, but in British Columbia the provincial list forms a basis, and unless an elector can get on the provincial list he is not entitled to vote in Dominion elections. On the question of gratitude I maintain that we are under no particular gratitude to the orientals who enlisted in the Canadian expeditionary force. Japan was in the war on her own account, and it was the duty of the Japanese to go to war just as much as it was the duty of the Canadian. It was more convenient for those Japanese in Canada to enlist in a Canadian corps than in a Japanese corps. The Canadian who went to the war and came back had to qualify to get on the provincial list and why should we make an exception in favour of the Japanese? Unless a Britisher or a Canadian could get on the list without qualifying, a Japanese should not be allowed to do so. This legislation makes an exception.

Mr. SHAW: I desire to raise a point of order. Referring to the conference between the Senate and the House of Commons, Bourinot at page 179, rule 662 says:

> While a conference is taking place, the deliberations of both Houses are suspended.

The CHAIRMAN: That is quite correct when the House is in session, but the House is in committee.

Mr. HOEY: This matter is not very important.

Mr. BLACK (Yukon): Is it reasonable to say that we should extend the franchise of Canada to all who were in the Japanese army or navy during the war? To be plain about it, I think it is admitted that we do not want orientals as citizens or as residents in this Dominion of Canada, much less do we want them as voters, we want to be rid of them; and to give them the right to vote in Canada is to give them a preference over our own Canadian people in the province of British Columbia who must qualify as provincial voters. I do not think that the minister is correct in assuming that the returned man generally would consider the enactment of this amendment as a reflection upon this House, for as a matter of fact the British Columbia people admire, and I think practise, fair play to as great an extent as is done anywhere in Canada, but we must not overlook the fact that there are many people in British Columbia actually in the struggle for existence with the orientals now in that province, and I submit it is the duty of this parliament not to do anything to encourage orientals in Canada either with or without the franchise. I believe that the committee will be well advised in supporting the amendment introduced by the hon. member for Comox-Alberni (Mr. Neill).

Mr. NEILL: Perhaps I may be allowed to reply to a few of the criticisms that have been made. The Minister of Soldiers' Civil Re-establishment (Mr. Beland) says that we ought to let the Japanese vote in Canada. Do the Japanese let us vote in Japan? I should like him to answer that question. Is it right or proper that we should extend to the Japanese in Canada a privilege which is not extended to us in Japan?

Mr. CANNON: Is the hon. gentleman in a position to tell us what the Japanese government did for naturalized Japanese subjects who fought in the Japanese army during the war?

Mr. NEILL: No Japanese naturalized subject of any creed, colour, sex or description is given the right to vote in Japan on anything at all.

Mr. CANNON: Even if they fought in the Japanese army?

Mr. NEILL: Not if they were a whole regiment of generals. They are not even permitted to be members of the chamber of commerce. I have a synopsis of the Japanese law here and can read it if the hon. member wishes me to. Why should we extend to the Japanese in this country a right which is not accorded us in Japan? Hon. gentlemen talk about British fair play. Well, it is generally my experience that when a man demands British fair play he is asking for more than is coming to him; he is merely trying to get around his object by putting up the fetish of fair play. He does not need to ask for British fair play in a British community; he can get it without asking for it, and nowhere more readily than in British Columbia.

Mr. SHAW: Does my hon. friend draw a distinction between the case where rights have never been enjoyed and where they have been granted and are now being taken away?

Mr. NEILL: Yes; I am quite aware of that distinction. The minister says that it is not right to deprive the Japanese of their rights. But we are not depriving them of any rights; they never had and never will have any right in this regard in British Columbia. We are not depriving them of

any right to take part in the government, because they are not entitled to it. It is true they had it in the last Dominion election but they should never have had it, and this is only to remedy the situation.

Mr. BELAND: Can the hon. member tell us what would be done in Great Britain in similar circumstances where any oriental such as he describes had fought in the army? Would he be denied the right to vote?

Mr. NEILL: The conditions are not the same in Britain and I am not familiar enough with them to say actually what they do. I am not going to talk about things I know nothing about. But I cannot imagine any Assyrian who fought in Turkey being allowed to vote in Great Britain.

Mr. WOODSWORTH: Is there not an Indian in the British House of Commons?

Mr. NEILL: What on earth has that to do with this subject? The hon. member does not confine his questions to the subject under discussion any more than he confines his speech to it. He has given us his fine and well-known diatribe on the rights of certain peoples; but that has nothing whatever to do with the subject under discussion. He is entitled of course to hold the view which he puts forward, that every naturalized citizen should have the right to vote. But unfortunately when he takes this position he brings himself into disagreement with men like the Earl of Halsbury, the Privy Council of Great Britain, and the statesmen of Canada, whose opinions I quoted. The disagreement is unfortunate for him—or, it may be, unfortunate for them. The point however is not at issue at all, because it is admitted that we in British Columbia did and do possess the right to exclude orientals. And we did so. The real question is whether British Columbia's desires and wishes as expressed in the legislature of that province shall be taken into account in the Dominion franchise. That is the question which hon. members are asked to decide; it is not whether in their opinion the world-wide question of naturalization as regards the franchise should be considered at all in this legislation. That is not under discussion. The hon. member for Centre Winnipeg (Mr. Woodsworth) commented upon my use of the expression "neighbourly." I stand by what I have said so far as that is concerned; and I say that it is the best spirit of neighbourliness to so act towards your neighbour that you will not have a row with him next week. If he has a flower garden, and you have hens, it is a neighbourly act on your part to shut up your hens before they cause a row between you and him. And it is the best sort of neighbourliness with us in British Columbia to refrain from anything that will cause trouble with the Japanese. They are not asking for the vote; and in refusing to extend it to them we are only preventing no end of friction that would indubitably arise in the future if we gave some of them this privilege. Some hon. members may be influenced by the hon. member for Centre Winnipeg (Mr. Woodsworth) who has lived on the coast and who claims to be familiar with conditions there. But that hon. gentleman takes at all times a different view on the oriental question from the view held by members representing the province of British Columbia, including myself. I remember it was only last year the hon. member expressed the opinion that it was a disgrace that we did not allow oriental girls to train with ours in the hospital in Vancouver, a view which, if expressed in Vancouver, would have provoked a riot.

Mr. WOODSWORTH: I have taken that view repeatedly on platforms in Vancouver and so far there has been no riot.

Mr. NEILL: I have heard the hon. member on the platform there and his attitude was somewhat different from what it is here. I want to substantiate the position which myself and other members from British Columbia have taken on this question. I have here a letter addressed to myself from a government official in British Columbia and I shall quote a sentence from it:

> Yours of the 24th instant received a few days ago. Before taking up the matter of which you enquire, I am going to take the liberty of saying that your position on the oriental problem, as stated in parliament, comes nearer to being that of the average workingman than the position taken by those who presume to speak for the labour movement.

That is written by a man whose name is as well known in British Columbia as is the Premier's and who has had a long and honourable career in organized labour.

Mr. WOODSWORTH: Who is it?

Mr. HUMPHREY: I endorse the remarks made by the hon. member (Mr. Neill) and I take this opportunity of supporting the amendment that has been proposed. I cannot agree with the Minister of Soldiers' Civil Re-establishment in the opinion that to withhold the franchise from the orientals would constitute a reflection on returned men for the reasons that have been stated. I do not know whether the hon. member for Comox-Alberni has touched upon the point or not, as I was not in

the chamber when the question was introduced; but the legislation in British Columbia was due to the united efforts of the returned men in the legislature, and the recommendations brought in by them to the effect that the franchise should not be extended to Asiatics. It met with the unanimous approval of the legislature. It is a well known fact that this question has been the subject of considerable debate and consideration in British Columbia, and the result sought to be attained by this amendment would be endorsed by all the people of the province.

Mr. IRVINE: I rise to a point of order. It is a rule of the House that no subject may be considered twice in the same session, and we are now considering a matter which was voted upon yesterday.

Mr. NEILL: The unanimous consent of the House was obtained before the matter was introduced.

Mr. IRVINE: I did not hear that permission given.

Mr. NEILL: The hon. member was not here.

The CHAIRMAN: The question is on the amendment.

Mr. IRVINE: Mr. Chairman, I want to get a ruling on my point of order.

The CHAIRMAN: I did not hear it.

Mr. IRVINE: The matter now before the committee was dealt with yesterday in exactly the same form, and I understand the rule of the House to be that we do not vote on the same question twice in the same session.

The CHAIRMAN: Was not the hon. gentleman present when consent was given for the introduction of the amendment?

Mr. IRVINE: The member for Comox-Alberni (Mr. Neill) rose to speak, but I never heard any consent given to his moving the amendment.

The CHAIRMAN: The committee's consent was asked if he might introduce his amendment, and consent was given.

Mr. GOOD: If the amendment proposed by my hon. friend from Comox-Alberni does not carry, is it likely that there will be an increasingly large number of orientals voting in British Columbia?

Mr. NEILL: Not increasingly.

Mr. IRVINE: Mr. Chairman, I still stand by the point of order. I understood that the consent of the committee was granted to the member for Comox-Alberni to discuss this question, but I did not hear any consent given that we should vote on the amendment again. There is a big distinction involved.

The CHAIRMAN: Consent was given to the hon. member for Comox-Alberni to introduce his amendment, and that carried with it the right to discuss the amendment and to vote upon it. The question is upon the amendment.

Mr. CANNON: Mr. Chairman, before the vote is taken, I wish to tell the hon. member who moved this amendment (Mr. Neill) that he has all my sympathy and has had throughout the sesison, and—

Mr. NEILL: It is your vote I want.

Mr. CANNON: I should very much like to support his amendment, but it contains a principle which to my mind is altogether illiberal; otherwise I would vote for it with the greatest of pleasure.

Amendment (Mr. Neill) negatived: Yeas, 18; Nays, 40.

Mr. CANNON: Were the members of the official opposition counted?

The CHAIRMAN: Those who were in.

Mr. NEILL: Mr. Chairman, I am afraid I shall have to appeal to the Senate which, I understand, constitutes the safeguard of minorities. I beg to move another amendment as follows:

That section 30, subsection (g) be amended by adding at the end thereof the words, "and who is otherwise qualified under this act."

The reason for my amendment is that while the act is very carefully drawn and will be understood to prohibit a Japanese voting unless he is naturalized, yet as a matter of practice he is always allowed to vote, even if not naturalized. It is to carry out the principle of the act that I am adding those words. The effect of it will be that the voter will have to be a British subject. I know that is the strict interpretation of the act, but the average deputy returning officer interprets the act otherwise, and if the oriental produces his discharge papers he is allowed to vote. I hope the minister will see his way to accept the amendment.

The CHAIRMAN: I would draw the hon. member's attention to the fact that the words, "and who is otherwise qualified under this act" means that the voter must be a British subject. This is an essential element before he is entitled to the franchise. You cannot simply by adding surplusage which has no real

legal effect control the franchise of the person mentioned. In other words, the amendment is tautological.

Mr. NEILL: I used the expression "naturalized" as an illustration; but there are other conditions attached to this act—for instance, the voter has to be two months in the district. That is all I want to cover. Anyone reading the clause that I wanted to strike out would suppose that any person would be entitled to vote who produces a discharge from the naval, military or air forces. The clause does not say, "and who has otherwise complied with the act, or has been two months in the district." Apparently all that is required is that he shall produce his discharge.

The CHAIRMAN: He must have the essential qualifications, and then if he has the other qualification he is entitled to vote.

Mr. NEILL: But it has been so interpreted time and again by men who are not skilled lawyers. In fact, the hon. Minister of Soldiers' Civil Re-establishment (Mr. Béland) so interpreted it this afternoon.

The CHAIRMAN: No, he expressly stated that the first element was British nationality or naturalization.

Mr. NEILL: He said he did not see why an American should not vote, until I checked him up.

The CHAIRMAN: I must rule the amendment out of order unless I am convinced to the contrary.

Mr. BLACK (Yukon): Mr. Chairman, I think the wording of section 30 is clearly open to the interpretation that the member for Comox-Alberni says is sometimes put upon it. The latter part of subsection (g) reads:

> Provided however that the provisions of this paragraph shall not disqualify or render incompetent to vote any person who has served in the naval, military or air forces of Canada in the late war and who produces a discharge from such naval, military or air force, to the registrar upon the making of the voters' lists and to the deputy returning officer at the time of polling.

Production of the discharge seems to be the only qualification.

The CHAIRMAN: If the hon. member will look at section 29 he will see there certain qualifications specified which are absolutely essential before the person is entitled to vote. Section 30 mentions certain disqualifications, and the subsection he has just read is the saving clause.

[The Chairman.]

Mr. NEILL: But it says, "save as in this act otherwise provided."

The CHAIRMAN: But it is not otherwise provided.

Mr. NEILL: Yes, under section 30, subsection (g).

The CHAIRMAN: No, section 30 shows the disqualifications.

Mr. NEILL: Well, even if the amendment is tautological, I do not think it would do any harm, for it would certainly make the section clear to the deputy returning officer.

The CHAIRMAN: I do not think it would help him.

Mr. NEILL: Do you rule it out of order?

The CHAIRMAN: Yes.

Mr. COPP: Mr. Chairman, I move that the committee rise and report progress.

Mr. WARD: Are we to understand from the words of the Prime Minister a few moments ago that according to the act as it is at the present time—

The CHAIRMAN: This motion is not debatable, but if the hon. gentleman wishes to put a question perhaps the committee will give unanimous consent.

Mr. SPENCER: Mr. Chairman, who moved that the committee rise and report progress?

The CHAIRMAN: The Secretary of State (Mr. Copp).

Mr. SPENCER: I did not hear it.

The CHAIRMAN: Shall the motion carry?

Mr. WARD: May I ask my question, Mr. Chairman?

The CHAIRMAN: No, it is too late. I gave the hon. gentleman a couple of opportunities.

Progress reported.

SUPPLY

DEPARTMENT OF LABOUR

The House in committee of Supply, Mr. Gordon in the chair.

Labour—administration, Employment Offices, Co-ordination Act, $35,000.

Mr. IRVINE: I understood that under the rules of the House when a conference was being held between the Senate and the House of Commons the whole House automatically suspended, yet we have just reported to the

House, although the conference is now proceeding.

The CHAIRMAN: That matter was dealt with nearly an hour ago by the ruling I gave.

Mr. IRVINE: Well, Mr. Chairman—

The CHAIRMAN: The hon. member is out of order. I have given a ruling and I do not intend to review it.

Mr. GARDINER: On the point of order that has been raised by the hon. member for East Calgary—

The CHAIRMAN: No point of order has been raised. We are on item 255 of the estimates. I intend to adhere to the ruling I have given.

Mr. GARDINER: Would the Chairman cite his authority for that ruling?

The CHAIRMAN: I gave the authority at the time.

Mr. GARDINER: The committee reported progress and the Speaker was in the chair.

The CHAIRMAN: The committee has risen. The managers have gone and the conference is now taking place. Does the hon. member object to the committee sitting while the conference is proceeding?

Mr. GARDINER: But the Speaker was in the chair.

The CHAIRMAN: Then why was not the objection raised when the Speaker was in the chair?

Mr. GARDINER: The rule is that when the Speaker is in the chair and a conference between the two Houses takes place, the sitting of the House shall be suspended.

The CHAIRMAN: The point of order should have been raised then. It is too late now; we are in committee. Shall this vote carry?

Mr. GARDINER: I presume the employment offices dealt with under this item are operated jointly as between the provinces and the federal government?

Hon. JAMES MURDOCK (Minister of Labour): Yes. The employment offices in the various provinces are handled entirely by the provinces, but the federal government provides annually under the Employment Offices Co-ordination Act for a sum to be divided among the respective provinces in proportion to the expenses of the offices in those provinces.

Mr. WOODSWORTH: Last year in the provincial House very serious charges were made against the way in which the employment bureau was carried on in the city of Winnipeg. It was claimed that the officers in charge fixed the wages to be paid to those applying for labour; that in reality certain groups got together and decided what the wage should be, and men were forced to accept that fixed wage. I would like to know what the minister has to say about charges of that character.

Mr. MURDOCK: The point raised by my hon. friend did come to the attention of the federal Labour department and we instituted careful inquiries. It was found that there was some foundation for the allegations in respect of one employee of the Winnipeg office. The department, of course, took the position that that was entirely wrong and that it should not be repeated. The matter was satisfactorily smoothed out, with a warning to the person concerned that nothing of the kind could be tolerated or permitted in the future.

Mr. WOODSWORTH: I visited the employment bureau in Winnipeg last year and found several hundred men in attendance. It seems as if they are bound to report there daily and to hang around on the chance of getting an odd job. These were married men, residents of Winnipeg, who were thereby precluded from going out and possibly finding another job or helping about their own homes. Is it not possible to modify the regulations so that a man would have the opportunity to report there and in some way obtain a job if it turned up, without being in constant attendance at the office day after day?

Mr. MURDOCK: When jobs are not plentiful many of the unemployed get into the habit of going to the office and hanging around on the chance of something turning up, and also to talk with their fellows in similar circumstances. But there is no regulation, I am sure, requiring daily or continuous attendance, and if there was such a requirement I would regard it as entirely unnecessary and wrong. Registration, so that the office may know whether the applicant is still ready for work, should be sufficient. Steps are taken to get in touch with applicants at their own homes or at any handy address where they can be reached.

Mr. WOODSWORTH: In the reports issued by the Labour department we have estimates as to the amount of wages lost in the case of industrial disputes. Would it be possible for the Department of Labour to estimate the amount of time lost, and thereby the ap-

proximate wages lost, on account of unemployment throughout Canada?

Mr. MURDOCK: No, it would not be possible to make an accurate estimate. There is no way of accurately determining, for instance, how many persons are unemployed at a given time. In England with unemployment doles being paid they can estimate fairly accurately the unemployment situation, but I think all will agree that there are many unemployed in England who would not accept the dole. Here in Canada no accurate estimate such as my hon. friend suggests could be made as to the loss in wages by provinces through unemployment in Canada.

Mr. SPENCER: I wish to say a good word with respect to the work being done at the Edmonton employment bureau. That is the office through which I have been getting employees, and I wish to compliment the bureau on the good work it is doing. I rose to get some information with regard to the expense of carrying on these offices. How is the expense divided between the Dominion and provincial governments?

Mr. MURDOCK: Roughly speaking, because I do not know that we have an accurate figure, the expense is divided at the present time, about 66 per cent falling on the province and 34 per cent on the Dominion. The reason for that is that the Employment Offices Co-ordination Act provides only $150,000 a year for co-operation with the provinces in carrying on this work. My hon. friend may recall that at the first session of this parliament, in 1922, there was an extra grant of $100,000 made available for co-operation with the provinces in carrying on this work, making $250,000. We cut off $50,000 one year, and $50,000 another year of the money voted, and that leaves us now with just the $150,000 provided for by the Employment Offices Co-ordination Act. That has brought us down from what was about a 50-50 basis three years ago to approximately a 34-66 basis, now.

Mr. SPENCER: How many employment bureaus are there throughout Canada?

Mr. MURDOCK: At the present time, 72 offices at 65 centres.

Mr. SPENCER: Are any of the provinces continuing private employment bureaus?

Mr. MURDOCK: Yes, the provinces of Quebec and Ontario still have a few private employment agencies. Speaking from memory, Ontario has 14, I think, and Quebec, 12 or 14, of these private agencies that were functioning when the employment service was instituted, and which have continued since that time. In some of the provinces, as hon. members know, legislation has been enacted doing away with private employment agencies, but they still continue in Ontario and Quebec to the number I have mentioned.

Mr. SPENCER: It is left entirely to the provincial governments to say whether or not these private bureaus shall be done away with?

Mr. MURDOCK: They have authority in the matter.

Mr. ROSS (Kingston): Will the minister say that the government co-operates with these employment offices now in obtaining labour on government works, in the cities and so on, or does the government use the patronage system?

Mr. MURDOCK: I do not understand what my hon. friend is driving at. If he would mention a specific case, I could answer him promptly. What government employment has he in mind?

Mr. ROSS (Kingston): The jobs that come up, repair work, and so on, which is not done under the tender and contract system. Does the government use these bureaus in connection with government work of this kind, or does it use the patronage system?

Mr. MURDOCK: I would not think the patronage system was being used largely in that connection. I think the employment offices in the various towns where the work was located would if necessary be asked if they could furnish labour for certain classes of work. They generally have a list of different classes of labour available.

Mr. ROSS (Kingston): At least, it is the minister's wish that that should be done, rather than returning to patronage.

Mr. MURDOCK: The minister's wish, of course, would be that the employment offices should be permitted to function fully, and as intended, for the benefit of the unemployed citizens of Canada.

Mr. WOODSWORTH: I do not think I can state better than the minister has done the ideal of the labour bureaus, that they should function in the interests of unemployed citizens, but as I understand it, they are today largely registration bureaus of work that is available. Is it not possible that these employment bureaus should do something to explore the avenues that might possibly provide for labour not immediately in sight? I understand that in my own city of Winnipeg

at the present time the city council is having to discuss the question of extra work in order to provide for the unemployed, and that in June, when ordinarily all the unemployed are engaged in regular work. Is it not possible that in some way the department could do some constructive work in looking for employment and providing for it in new ways, thus avoiding having to resort to the dole system?

Mr. MURDOCK: My hon. friend will recollect that the provinces have authority over that matter. They control the actions of the officers in the employment service in the different provinces. It would not be a part of our duty, in fact, it might be resented if we made any suggestions such as my hon. friend has put forward.

Mr. WOODSWORTH: Far from being resented, I think they have again and again appealed for action along that line.

Mr. GARLAND (Bow River): I think there is a good deal of force in what the hon. member for Centre Winnipeg has just said. indeed, I am impressed with the extraordinary situation that now exists in Canada. Not only is there the condition that my hon. friend cites in Winnipeg, but I notice in an official report of employment conditions in Calgary the other day in the Morning Albertan that over 500 men offered themselves for jobs, and not a single job was available in that office. That is a deplorable condition of affairs and surely the minister, even if the government find themselves outside the pale, as it were, on this question, will lend a sympathetic ear to what the hon. member (Mr. Woodsworth) has said and do what he can himself as a citizen of Canada to solve this question of unemployment.

Mr. ROSS (Kingston): Is the registration as given by the bureau a good index of the unemployment situation? I understand that union men, such as machinists, and so forth, do not register at these bureaus.

Mr. MURDOCK: The registration at the bureau is not necessarily an accurate index of the unemployment situation, but it can be taken as one factor of information in determining what the unemployment situation might be. You could not determine anything definitely by registration alone, because, as my hon. friend suggests, there are many who are out of work who do not register, and when unemployment is at its height, it is just possible that there are a greater number at that time not registering than when unemployment is less. Therefore, you cannot determine anything accurately by the registration.

Mr. ROSS (Kingston): Am I right in my idea that it is only an index of those unemployed who would accept general labour, and not of unemployed union men?

Mr. MURDOCK: I would not say that my hon. friend was right to that extent, because the employment service deals with all classes of skilled labour, and I am sure it often deals with organized labour. It is not the unskilled labour alone that goes to or secures a position through the employment offices.

Mr. ROSS (Kingston): My reason for saying that is that at a labour meeting which I attended, they were urged to register because they had not registered as they thought they might be called upon to accept general employment, whereas a union man is under a certain understanding that he must not go under a certain per-hour rate. If that is so, the bureau is not by any means an index of the extent of unemployment in this country.

Mr. MURDOCK: The hon. member will understand that a machinist registering at one of the employment offices in the country would register as a machinist. He would be called if an application were made by an employer for a machinist. The same would apply to a carpenter or any other skilled mechanic. Common labour would register as common labour and would be called for that class of work. They would not call a man who had registered as a machinist or a skilled mechanic to go to a job of common labour unless the man was there and insisted that he wanted to take the job.

Mr. ROSS (Kingston): The idea was certainly given out at this meeting that the union people had not registered because there was no call for their line of work, and they had not taken the bother of registering; but they were being urged by their leaders that they should place themselves on record by registering.

Sir HENRY DRAYTON: How many men have been supplied to the government by the registration offices in Ottawa in connection with government work?

Mr MURDOCK: I am quite sure we would not have any figures to indicate that.

Sir HENRY DRAYTON: To be fair to my hon. friend, the only reason I ask that is this. It is said, rightly or wrongly, that the local patronage bureau supplies men for government work in Ottawa and that the registration offices do not. My hon. friend will know whether that is true. If it is not true, he can give us the list.

Mr. MURDOCK: I am quite sure we would not have a list indicating that. As my hon. friend will realize, I do not know what particular work he has in mind.

Sir HENRY DRAYTON: Any governmental work, work on the canal here or anywhere. There is plenty of government work going on.

Mr. MURDOCK: Possibly in some cases labour is appointed that makes direct application and does not go through the employment offices.

Sir HENRY DRAYTON: I do not think it goes through the employment offices. My hon. friend is right.

Mr. LOVIE: Is the employment bureau in Winnipeg under the charge of the Department of Labour at Ottawa?

Mr. MURDOCK: No.

Mr. LOVIE: The department has nothing to do with it?

Mr. MURDOCK: Yes. We maintain some timely supervision under a uniform agreement signed with the province of Manitoba, similar agreements being signed with seven other provinces. The province of Manitoba agrees to run that employment office at Winnipeg on the lines laid down in this joint agreement.

Mr. LOVIE: I should like to give the minister a suggestion. I do not know whether it will be of any use or not. In Manitoba we find that labourers in Winnipeg are not accorded the same transportation privileges going out to the harvest field as labourers from eastern Canada. A labourer from Winnipeg has to pay full fare when he goes westward. He very often is short of money and he feels that is a hardship, whereas a labourer from eastern Canada can travel at a reduced rate as far west as labour is required. Cannot labourers from Winnipeg be given the chance to go to the harvest field at the same rate as men from eastern Canada?

Mr. MURDOCK: What distance has my hon. friend in mind that those unemployed men travel?

Mr. LOVIE: Let them go anywhere. They should have the same privilege to go over the three prairie provinces as men from eastern Canada have as regards cheap transportation. In southern Manitoba, at least, we very often want harvest help before the men from the east are arriving and men from Winnipeg can be employed, but they will not go out if they have to pay the full transportation fare. There are not many of them in any case. Those rates should apply all over the prairie provinces for men from Winnipeg the same as for men from eastern Canada going to the harvest field.

Mr. MURDOCK: The reason I asked the question about the distance was that, as my hon. friend realizes, this is a matter about which the railways of Canada have something to say. We have in effect an agreement with the railways providing for a rate of $2.70 per hundred miles with a minimum of four dollars for unemeployed persons going with a certificate from an employment office to work. If it is less than a hundred and forty-seven miles, they pay the full fare. That may be the point to which my hon. friend refers.

Mr. BROWN: I think the point referred to by the hon. member is this. The eastern labourer that goes out west has a certain rate to Winnipeg and, I think, a cent a mile after that. My hon. friend wants to know whether those in Winnipeg cannot get that special rate the same as people from the east.

Mr. MURDOCK: My hon. friend is referring now possibly to harvest excursions from the east. That is another matter, and that is a question where the fares are arranged entirely by the railway companies, although the federal employment office takes the matter up with the railways and tries to secure as good conditions and arrangements as possible for the harvester. It is a matter that the railway companies, through their passenger departments, determine.

Mr. LOVIE: Will the Minister of Labour give us his assurance that he will use his influence to secure for men from Winnipeg the same opportunity for cheap transportation as the eastern labourer has?

Mr. MURDOCK: I will promise to continue the efforts of the department in that direction, because that is just what we have been trying to do for the last two or three years.

Mr. MacLAREN: There is a special rate for those seeking harvesting employment to go west. Does the special rate apply now to those who wish to return to their homes at the end of the harvest season? That has not been the case previously.

Mr. MURDOCK: My understanding is that if a harvester returns within a certain time, he gets a return rate. My recollection is that the rate going is $18, and returning,

$20. I think that has been practically the arrangement for a number of years.

Mr. MacLAREN: Why should the rate not be the same going as returning? It is disturbing to the country. It sends the men out and there should be an equal inducement to have them return.

Mr. MURDOCK: That, of course, is a question which the passenger departments of the two railways have to determine, and they regard it as necessary to make the rates slightly higher returning from the west than going west to employment.

Mr. BROWN: It is likely they will have more money when they get through their work out there and will be able to pay a bigger fare.

Mr. MacLAREN: Perhaps the minister will interest himself in this matter as well as the other.

Mr. MURDOCK: This is a part of the other question, and we have had a number of conferences with the railways and will probably have another one shortly. I do not think we will be able to get any better arrangement in respect to this matter than we have in the past.

Item agreed to.

Administration, Technical Education Act, $3,000.

Mr. LUCAS: Will the minister explain that vote?

Mr. MURDOCK: The expenditure under this item, $3,000, is very uncertain depending largely upon the extent to which the provincial governments take advantage of the statute providing for technical education in Canada. The appropriation is intended merely to meet disbursements for printing and stationery and other supplies, and travelling expenses of the Director of Technical Education. The detailed statement of expenditures for the fiscal year 1924-25 is as follows:

Travelling expenses	$1,064 40
Printing and stationery	1,325 18
Sundries	3 39
Total	$2,392 97

Item agreed to.

Administration of the act respecting annuities for old age, $20,000.

Mr. COOTE: Has there been any increase in the number of annuities taken out during the last year? If so, what is the increase?

Mr. MURDOCK: Yes, there has been a gradual increase during the past two or three years in the number of annuities taken out and the amount paid to the government for that purpose as will be seen from this statement:

	Annuities	Amount paid
1922-23	339	$1,028,353 07
1923-24	409	1,459,042 41
1924-25	488	1,607,989 58

Mr. COOTE: Has the minister the total amount the government holds under this annuity scheme?

Mr. MURDOCK: The total amount received on account of the purchase of annuities from September, 1908, when the act came into effect, to March 31, 1925, exclusive of amounts returned to persons where no contracts were issued, is $9,754,299.42.

Mr. BROWN: Is the scheme becoming more popular of late years, since it has become better known under the Department of Labour, than it was under the Post Office Department?

Mr. MURDOCK: There has been a gradual improvement, indicated by the figures I gave a few moments ago, and we are in hopes that, as a result of the amendment we made to the act this year providing for the purchase of a minimum annuity of ten dollars instead of the present or past minimum of fifty dollars, there will be a great deal more interest taken in this form of annuity by the class of persons we desire to reach.

Mr. CALDWELL: Are these annuities on an actuarial basis? Are they supposed to finance themselves?

Mr. MURDOCK: Yes, they are; and at the same time if you ask the Superintendent of Insurance or anyone else connected with annuities possibly he will say that there is no definite table on which you can fix an actuarial basis for annuities, but as nearly as possible they are I think regarded as being on a correct actuarial basis.

Mr. BROWN: What is the amount necessary to buy that ten dollar annuity?

Mr. MURDOCK: The rates are:

Age	"A"	"B"	"10 years guarantee"
21	$15 70	$ 8 25	$18 65
45	40 25	25 88	47 80

Mr. CALDWELL: Is the rate of payment the same on a ten dollar annuity as on a fifty or hundred dollar annuity?

Mr. MURDOCK: Proportionately.

Mr. CALDWELL: Will this amendment not increase the administrative cost of the business as compared with the cost of the other annuities? It will cost as much to issue

a ten dollar annuity as a fifty dollar one. You will require more assistants to do the work and the overhead expense, compared to the amount received, will be greater.

Mr. MURDOCK: That question was raised when we were putting through the amendment, and possibly that will be the case, although I think we will be able to take care of the increased number of annuities that are issued under that plan without any material or perhaps without any increase in the staff.

Mr. GARDINER: Is the money received for an annuity, invested and if so in what manner?

Mr. MURDOCK: The money is turned over to the Receiver General and the Labour department has nothing to do with it.

Mr. GARDINER: Does it go into the consolidated revenue fund?

Mr. MURDOCK: Yes.

Mr. GARDINER: And any moneys paid out for annuities come out of that fund?

Mr. MURDOCK: Yes.

Mr. GARDINER: And under those circumstance there will be no advance in the purchase price?

Mr. MURDOCK: No.

Item agreed to.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

International Labour conference, $10,000.

Mr. WOODSWORTH: What has this International Labour conference accomplished during the past year?

Mr. MURDOCK: I could hardly answer that question in view of the fact that the conference concluded this year's session only a few days ago and the Canadian delegates are expected to-morrow.

Mr. WOODSWORTH: What specific pieces of legislation have been secured to workers as a result of the conference?

Mr. MURDOCK: In the world or in Canada?

Mr. WOODSWORTH: I am quite willing to confine the question to Canada.

Mr. MURDOCK: As my hon. friend knows, Canada's relation to the conference is different probably from that of any other country in the world inasmuch as under our constitution action cannot always be taken on behalf of the Dominion which the International Labour conference is of the opinion should be taken. On most questions to be dealt with this country generally speaking has to confine its efforts to directing the attention of the various provinces to the conventions adopted or the recommendations made, and then wait until such time as the provinces proceed to consider those questions. Canada is not in the position to do the things which I know my hon. friend has in mind and which he would like to see done in regard to many of the matters taken up by the conference. For example, workmen's compensation was the most important subject dealt with by the conference at its recent session which closed this month. Now, the Dominion has no authority to deal with that subject, which is a matter that comes under the control of the respective provinces. However, the government will bring to the attention of the nine provinces the result of the proceedings leaving the various questions to be dealt with by the provincial authorities.

Mr. WOODSWORTH: Do I understand the minister to say that the Dominion government has no authority to ratify the conventions?

Mr. MURDOCK: My hon. friend understands me thoroughly when I say that Canada has no authority under our constitution to ratify such conventions without the authorization and concurrence of the various provinces, which provinces have certain rights that are theirs alone under the constitution.

Mr. WOODSWORTH: Does the minister say that the provinces have the right and the authority to ratify the conventions?

Mr. MURDOCK: I do not think it becomes me to suggest what authority or right the provinces have in the matter. They jealously regard that as a question for their own governments to deal with.

Mr. WOODSWORTH: The minister has stated definitely that in his judgment the Dominion government has not the right to ratify certain conventions. I ask, then, have the provinces that right?

Mr. MURDOCK: I can only answer my hon. friend by assuming that the provinces have the full right, each within its own juridiction, to take the action recommended by the International Labour conference. If, accepting those recommendations, they so advise the federal government, then the federal govern-

ment will be glad to convey that information to Geneva.

Mr. WOODSWORTH: I understood that these were treaty obligations. Is that not right?

Mr. MURDOCK: They would be treaty obligations when they had been properly adopted and ratified by the provinces and further ratified by the federal government in treaty form.

Mr. WOODSWORTH: The minister is seeking to confuse the issue altogether. I am not speaking of some treaty in the future; I am speaking of a definite treaty already made, the treaty of Versailles. Now, are not these treaty obligations?

Mr. MURDOCK: Not in my hon. friend's sense of the word.

Mr. WOODSWORTH: Never mind my sense of the word. I am asking a straightforward question as to whether certain conventions, such as that relating to the eight hour day, are or are not treaty obligations.

The CHAIRMAN: Is not that a question of law?

Mr. WOODSWORTH: Mr. Chairman, I am asking the minister whether he does not himself regard them as treaty obligations.

Mr. MURDOCK: And the minister is not disposed to give my hon. friend the answer that he would like to receive. I will tell the hon. gentleman the plain unvarnished truth, and that is that Canada will at the proper time and in the proper manner enter into treaty obligations in relation to the eight hour day. When the various provinces, with certain constitutional restrictions, have taken the necessary action to place the federal government in a position to ratify such a treaty; but the federal government cannot act until that is done. My hon. friend may not have read the text of the decision which was handed down a few days ago from the Supreme court on this particular question; but he would hardly expect me to set up my personal judgment or to express any view of my own on a question which has so recently been submitted to the Supreme Court of Canada for decision.

Mr. WOODSWORTH: Did the Supreme Court of Canada give any judgment whatever regarding Canada's obligations in relation to the treaty?

Mr. MURDOCK: We shall secure a copy of the court's decision on the matter and give it to the hon. gentleman for his information. I will not undertake to add to or take from that decision.

Mr. WOODSWORTH: I am not discussing the Supreme court's decision; indeed, the whole text if read here would not touch the point I am raising. As I understand the matter, Canada entered into certain treaty obligations and signed the Peace treaty of Versailles; and the various conventions are the working out of that treaty. I understand that the Dominion of Canada has these obligations, and I understand further that no province can carry them out. It would seem to me therefore that the ratification of the treaty is a matter for the Dominion and not for the provinces. Does the Minister of Labour dispute that statement?

Mr. MURDOCK: The Minister of Labour concedes that that is absolutely right, that the ratification of such a treaty would be the duty of the federal government when the provincial governments have indicated to the federal government that it has a right so to act on their behalf.

Mr. WOODSWORTH: Mr. Chairman, I asked whether the ratification of a treaty would not come prior to the carrying out of its terms by the provinces. I submit that the ratification comes first; afterwards it is for the provinces to decide how that treaty is to be carried out in detail. Does the minister dispute that statement?

Mr. MURDOCK: Surely my hon. friend will agree that any authority, before entering into an agreement, would decide on the proper way to make effective the terms of that agreement. Undoubtedly it would be altogether improper for Canada to undertake to ratify, on behalf of the nine provinces, something that the provinces themselves had absolute authority to deal with. This parliament could not impose its wish on the provinces with respect to certain matters that have been dealt with in the conventions and recommendations emanating from the International Labour conference. The trouble with my hon. friend is that he is trying to localize all these questions, and to deal with them here—I presume because he is here to deal with them. That might be a very desirable thing to do, but unfortunately under our constitution we cannot usurp the authority of the provinces and undertake, in complete disregard of provincial rights, a certain course of action with respect to matters that my hon. friend might like us to pursue. He has stressed this same question

so often, he has found fault so frequently with what he terms our "dereliction of duty," that I wish he would realize that Canada in this respect is doing all she is obligated to do under the treaty of Versailles in connection with the International Labour conference. Perhaps he would indicate one case wherein Canada has fallen short of discharging her international obligations. Certainly I am not informed of any such case. In other words, as these matters come along we have tried to deal with them in the proper way by referring them to the appropriate authorities. Last session, as my hon. friend knows, three of these conventions from the International Labour conference were passed through this House. We have not ratified them yet, for the simple reason that in one or two of the matters we have been waiting for the Mother Country to take similar action. We want to keep abreast of the imperial authorities in respect to these matters. I think my hon. friend should rather co-operate with us in doing that which we have the right to do, and not, on behalf of labour, ask us to take action in entire disregard of provincial rights. It cannot be done—and I say to my hon. friend it will not be done in that way. We are going to take cognizance of the rights of the provinces in all these matters and consult and co-operate with them.

Mr. IRVINE: Then, Mr. Chairman, I fear that Canada had really no right to sign the treaty of Versailles, since it has not the constitutional powers to carry into effect the principles of the treaty.

Mr. MURDOCK: That is a rather difficult question for me to deal with. I think my hon. friend realizes that the treaty of Versailles was signed by Canada as a federal state and involved principles which do not apply to many of the conventions and recommendations which now come from the International Labour conference, and which this federal State has no right to impose on the provinces. The two propositions are entirely different.

Mr. WOODSWORTH: The point I have raised, Mr. Chairman, was, I believe, raised by counsel for the Ontario government before the Supreme court. The point has also been raised, I am given to understand, before the International Labour conference. It is a question as to which should come first,—action by the provincial authorities, or the ratification of the treaty by the federal authorities. I submit that if Canada had the right to sign the treaty—and I think she had—then as a nation Canada must go forward and ratify the treaty. The carrying out of its details is a subordinate question. I think it is evident to all that in treaty obligations the provinces have no juridiction whatever, and they might very well take the ground that they must wait until Canada ratifies the treaty before they decide their own policy.

Mr. McTAGGART: Was not the treaty signed conditionally on the provinces agreeing to its provisions?

Mr. WOODSWORTH: It was not.

Mr. McTAGGART: I am afraid it was.

Mr. WOODSWORTH: The treaty was signed absolutely by Canada. I do not wish to prolong the discussion, but it seems to me that it is distinctly the obligation of the federal authorities to join with the more progressive nations in ratifying these conventions, and thus carry out the solemn obligations undertaken at Versailles.

Mr. MURDOCK: My hon. friend may not have read the opinion of the Justice department and the decision of the Supreme Court of Canada on this matter. I have not at the moment a copy of the decision of the Supreme court, but I have before me the opinion of the Department of Justice. This opinion may not be acceptable to my hon. friend—indeed, I might disagree with it, but no one would give serious thought to my view, in so doing. Certain questions, among others the following, were submitted to the Justice department :

1. What is the nature of the obligation of the Dominion of Canada as a member of the International Labour conference, under the provisions of the Labour Part (part 13) of the treaty of Versailles, and of the corresponding provisions of the other treaties of peace with relation to such draft conventions and recommendations as may be from time to time adopted by the said conference under the authority of and pursuant to the aforesaid provisions?

2. Are the legislatures of the provinces the authorities within whose competence the subject matter of the said draft convention, (copy of which is herewith submitted) in whole or in part lies and before whom such draft convention should be brought, under the provisions of Article 405 of the treaty of Peace with Germany, for the enactment of legislation or other action?

The Justice department dealt with these questions several years ago, and the Supreme court has also given its decision with relation to them. Therefore neither the view of my hon. friend nor of myself would have the slightest bearing on the constitutional position of the Dominion.

Mr. MILLAR: To what extent has it been found necessary to depart from the eight hour day in connection with Dominion public works?

Mr. MURDOCK: Under the government's fair wage policy the government will insist that on government works and undertakings the wages and hours shall be equal to the current fair and reasonable wages or hours within the district where the work is being done. In carrying out that policy we sometimes have an eight hour day for certain classes of workmen. On the Welland ship canal, for example, we have an eight hour day for carpenters, because in St. Catharines, Niagara Falls, Welland, Port Colborne, and I think one or two other places in that vicinity, the carpenters have an eight hour day in agreement with the employers. Therefore, the current hours are positively fixed by agreement between the workmen concerned and the employers. In many other cases, though, the eight hour day is not fixed; there is no agreement as to hours, and we find in some cases a nine or a ten hour day. But the principle that is generally applied is the hours and wages current in the district in which the work is being done.

Mr. IRVINE: What is the minister's idea regarding the steps which would have to be taken in order to put into force in Canada any of the provisions of the Versailles treaty?

Mr. MURDOCK: Last session this parliament ratified three of the conventions emanating from the International Labour conference.

Mr. WOODSWORTH: Very insignificant ones.

Mr. MURDOCK: I would assume that the conventions emanating from the International Labour conference with reference to the employment of youths at sea and the payment of shipwrecked seamen were important matters. They occupied the time and attention of representatives of forty to fifty governments as well as of employers and workers from all the nations concerned. Evidently they did not regard them as insignificant.

Mr. WOODSWORTH: The conventions are important enough in themselves, but they affect a relatively small group of Canadian workers.

Mr. IRVINE: The minister did not quite get my question. I was referring to those factors in the treaty which we have not yet ratified. What are the steps to be taken to bring them into effect?

Mr. MURDOCK: As to those matters in respect to which the provinces have exclusive jurisdiction, it would be necessary for the provinces to take action to give effect to the principles contained in the particular convention. The provinces could then either advise the federal Labour department and let them convey the information to the international labour office, or they could send the information direct. If all the provinces took the necessary action in connection with the eight hour day, for instance, I assume—and this is only my own view, since my hon. friend has asked for it—they could then request the federal government, after the proper action had been taken to ratify the eight hour day convention with such other nations as had ratified it.

Mr. IRVINE: In the minister's opinion, all the provinces would have to act before this parliament would be justified in ratifying it?

Mr. MURDOCK: No, but before it could be effectively and uniformly ratified on behalf of Canada as a whole. In the meantime it would be in effect in such provinces as had accepted it and taken the necessary action in relation thereto.

Mr. WOODSWORTH: Does the minister say there is any other way of effectively and uniformly ratifying a convention than simply ratifying it? There is no such thing as uniformity of ratification of a convention, surely.

Mr. MURDOCK: My hon. friend is not fully informed, then. One of the difficulties that Geneva reports in the matter of securing ratification of these conventions is that in some particular respect the convention may be objectionable to certain nations. For instance, some nations have indicated readiness to ratify a convention if some slight changes are made in it, but that has not under the regulations so far been permitted, although a proposal is being considered under which that may be possible later. It is the desire of the international labour office that there shall be uniformity in ratification.

Mr. IRVINE: What has been the value to labour in Canada of the money expended on these conferences?

Mr. MURDOCK: I would rather my hon. friend would communicate with the Trades and Labour Congress, or others representing labour in Canada, to get that information. My opinion is that labour regards it generally as advisable and valuable for Canada to maintain its connection with the international labour office, to keep in touch with its work and to keep abreast of what is being done by the other nations.

Mr. IRVINE: Is this $10,000 expended under the jurisdiction of the Trades and Labour Congress of Canada?

Mr. MURDOCK: No, but a certain amount of it goes to pay the travelling expenses of representatives of the Trades and Labour Congress to Geneva and return. The expenditure under this head arises out of section 13 of the Peace treaty. It is to pay the expenses of the government delegates in attendance at the International Labour conferences, and the representatives of employers and employees.

Item agreed to.

Joint industrial councils, $3,000.

Mr. WOODSWORTH: Have any councils been organized during the past year?

Mr. MURDOCK: No.

Mr. WOODSWORTH: What is the idea of the vote, then?

Mr. MURDOCK: It is in order to do certain work that appears necessary in maintaining industrial peace and co-operation.

Mr. WOODSWORTH: Not in organizing councils?

Mr. MURDOCK: It has not been regarded as advisable to undertake to organize councils. When we do that, I am of the opinion that it will be necessary to increase the vote quite substantially. A considerable part of this vote has been utilized for the payment of the expenses of one officer who works part time, and through whose efforts much valuable work has been done in bringing about settlement of disputes between employer and employee.

Mr. WOODSWORTH: It is not the present policy of the government to organize industrial councils?

Mr. MURDOCK: My answer to my hon. friend will be the same this year as last. It is not regarded as appropriate at the present time to press forward the organization of industrial councils.

Mr. WOODSWORTH: Let me ask again the question I asked last year. Has the minister made any effort to organize industrial councils within the Post Office Department or any other departments of the civil service?

Mr. MURDOCK: No, the minister has not taken any steps in that direction, nor will he be in a position to take any effective steps until such time as parliament has changed certain laws now on its statute books which give exclusive jurisdiction and authority to certain bodies to deal with certain questions, and if we are to have industrial councils organized, that will probably have to be done. I am in favour personally of something along that line being done, but in order to make them as effective as the employees in some of the federal departments would like to have them, and as they have a right to desire to have them, we shall have to deal with some questions affecting the law first.

[Mr. Murdock.]

Mr. IRVINE: In that case why does not the minister bring down the legislation that would give him liberty to act in this matter? I quite appreciate he is working under difficulties; I would be very much surprised if it were otherwise, but I think the minister will do himself greater credit if, when he finds his hands are tied by reason of legislation, he makes an attempt to remove that legislation.

Mr. MURDOCK: I would hope that some day that will be given proper consideration.

Item agreed to.

Combines investigation Act, including $1,000 to the registrar, which amount may be paid notwithstanding anything to the contrary in the Civil Service Act or in the Combines Investigation Act, $30,000.

Mr. STIRLING: Can the minister give the committee any information as to what progress is being made in connection with any prosecutions that have been started under this act?

Mr. MURDOCK: The gentleman authorized by the Minister of Justice to conduct prosecutions has gone over most of the evidence and many of the exhibits, has been to Vancouver to discuss matters with the attorney general, and to Edmonton and Regina for the same purpose, and is leaving Winnipeg tonight after a meeting with the Attorney General of Manitoba for the purpose of taking further steps I assume in British Columbia. Further than that I am not in a position to say.

Mr. IRVINE: How many combines have been investigated since the act went into force?

Mr. MURDOCK: Three alleged combines have been investigated—in the fruit industry in western Canada, in the retail coal business in Winnipeg, and in the potato growing industry in New Brunswick.

Mr. SPENCER: How much of this vote was spent last year?

Mr. MURDOCK: All of it, and I am asking in the supplementary estimates for an additional $20,000, which is the amount by which last year's vote was exceeded.

Mr. IRVINE: Do I understand that $30,000 has been expended in the administration of this act alone?

Mr. MURDOCK: Yes.

Mr. IRVINE: How many employees received part of this $30,000?

Mr. MURDOCK: The department has taken on no new employees so far, as the result of the operation of this act. The expenditure is for a per diem allowance for the commissioner, legal advice in certain cases to the commissioner, stenographic and accounting services, and other services of such a nature as was necessary in western Canada and in British Columbia in connection with the investigations that were there made. The commissioner who investigated the alleged coal combine in Winnipeg had to have with him a legal gentleman, and in connection with that investigation they had to go to Edmonton, Calgary, Regina, and I think a number of other points in the west.

Mr. IRVINE: Does the minister anticipate this will be an annual vote, this amount or larger?

Mr. MURDOCK: This amount or larger, yes, I think so.

Mr. SPENCER: What is the per diem fee paid to the legal gentlemen who are engaged in this work?

Mr. MURDOCK: The usual fee is $50 a day for the legal adviser who accompanies the registrar.

Mr. SPENCER: And a living allowance besides?

Mr. MURDOCK: And a living allowance.

Mr. IRVINE: That is the full union wage. Does he work an eight-hour day?

Mr. STIRLING: Does the minister propose to issue a final report on the alleged fruit combine, following the interim report?

Mr. MURDOCK: I think it will be necessary to do so, but it may be some little time before that is done. There may be some other side investigations which it may be necessary to make.

Mr. SHAW: What is the present situation with regard to that combine? I rather understood an injunction proceeding had been taken out for the purpose of restraining any action.

Mr. MURDOCK: I have just explained to my hon. friend from Yale the situation. The gentleman appointed by the Minister of Justice to prosecute has spent considerable time going over the evidence and exhibits, has visited the attorneys general in the four western provinces, and is leaving Winnipeg tonight, I understand, to proceed to British Columbia and take such further action as may be necessary. What that action may be, I do not know. As to the injunction my hon. friend speaks about, I know nothing of it excepting the item that appeared in the press some time ago.

Distribution of parliament documents and other government publications, $40,000.

Mr. ARTHURS: I hold in my hand two publications, one entitled Labour Legislation in Canada, 1924, issued by the King's Printer in the ordinary way, and compiled and published by the Department of Labour. This comprises 107 or 108 pages and it is of value naturally only to one section in this country. No other department, so far as I am aware, goes to the trouble of issuing a book of this kind concerning legislation which has been passed during the previous year. For instance, although there are many valuable additions to the statutes made under the auspices of the Minister of Agriculture (Mr. Motherwell), he has never had a publication of this kind. I have another one called Labour Organizations in Canada, which comprises almost 300 pages of close print, and undoubtedly it has cost a large amount of money to produce. In the estimates a certain sum is voted for the publication of the Labour Gazette of Canada, but I cannot find any particular amount allocated to the publication of these two works.

Mr. MURDOCK: My hon. friend, of course, is discussing a question that should have been dealt with under item No. 252, "Conciliation and Labour Act, including publication, printing, binding and distribution of Labour Gazette and allowance to correspondents." This particular vote has nothing to do with the question my hon. friend is discussing, but I do not mind giving him the advice that should have been given to him when that vote was dealt with on the 17th of March last. I think my hon. friend will find that those publications are supplementary to the Labour Gazette and were issued as such. They are issued in connection with and as part of the information given out by the department.

Mr. ARTHURS: The minister may be perfectly correct in stating that these are supplements to the Labour Gazette, but no such information is on the face of the documents.

Mr. MURDOCK: That is the way in which they are issued. We have not changed any practices excepting that these publications are brought more nearly up to date.

Mr. ARTHURS: Is the total cost of these two publications included in the $35,000 vote under item No. 252?

Mr. MURDOCK: In the Labour department vote, yes.

Sir HENRY DRAYTON: Why is it that we have a change in the printing of Hansard? We now have the index printed separately, so that we have to get two volumes from the Library.

Mr. MURDOCK: Two years ago the leader of the opposition (Mr. Meighen) very properly brought to our attention two or three days after the session had opened the fact that the bound copies of Hansard were not before us. Of course, we did not want to have such a delay as that if we could avoid it. Last year we found that the printing, numbering, binding and so forth of any of these volumes could not be done until all the index had been completed. We went along to the 19th day of July before the House closed. Then many of the employees that had been on continuous duty for quite a long while were taking their holidays until we found it was getting pretty late in the fall and we were not going to be able to get the properly indexed Hansard. A suggestion was made that if we could print only one index instead of four or five indexes, we could save a great deal of paper, four quantities of paper equal to the total amount of paper used in the printing of the index, and then we could print the index in a separate volume. I am told by the Printing Bureau officers that only one protest has been raised against that practice which it was thought would make Hansard handier if anything by having a separate volume of the index, so that an individual by looking at it would know whether it was volume 1, 2, 3 or 4 he wanted for any particular subject he desired to look up. Those are briefly the reasons why that was done. Whether that practice is to be continued or not, we think it will be a saving. Hansard for this session will occupy four or five volumes. We think this will save a great deal of paper which it was thought was unnecessarily wasted in the past by printing an index for each volume of Hansard when one index for all the volumes would do.

Mr. CALDWELL: I understand the minister said that the Printing Bureau had received only one protest. I have felt like protesting to everybody I have met, but I could not find anybody who would take the responsibility. I think the Printing Bureau print what they are instructed to print, and I do not think this should be laid at their door at all. It is very inconvenient and I cannot agree with the view that it will save money. To my mind, it will cost more to bind a separate volume of the index than the cost of the quantity of paper used to print four other copies of the index. As regards the saving of time, the volumes are not much good until the index is printed, and I doubt if the volumes were distributed until the index was printed. Possibly this was done with a good object in view, but I do not think it should be done again and I hope it will not be. Every member to whom I have spoken about the matter—and I have spoken about it to a good many—has felt as I do. I think every hon. member who does not approve that method of printing should register his protest. I am going to register mine as definitely as I can. A member sends a page to the library for a volume and he has to send again to get the index. It is very convenient, when you get a volume out of the library or any other place at your home, not to have to lug around two volumes in order to find what you want to find. I hope this practice will be discontinued. I do not think it is economical. I know it is inconvenient and I seriously hope it will not be continued.

Mr. MURDOCK: My hon. friend is surely mistaken in suggesting that there will be more printing and binding. There will be less—

Mr. CALDWELL: More binding.

Mr. MURDOCK: For the reason that we can now put 1,000 or 1,200 pages into each volume of Hansard.

Mr. CALDWELL: Has that not always been done?

Mr. MURDOCK: We all know that in every volume heretofore there was a repetition of the entire index of Hansard. Therefore, there were simply hundreds of additional pages of the index printed and put into each volume of Hansard. Of course if hon. members want that done—

Some hon. MEMBERS: No, no.

Mr. MURDOCK: I assume entire responsibility for giving the final word in regard to this. It seems to me that if hon. members would get in the habit of saying "Give me the index for 1923" they could look at the index and they would know whether the

discussion they wanted to see was in volume 2, 3, 4 or 5, and they would send for that particular volume. In this way you are not stocking your shelves with four or five reprints of the index, but you will have your index in a nice, neatly bound little volume, and I certainly would like some instructions on this because we have not had any instructions yet. This has been done to reduce the cost and to simplify the Hansard for use. Of course, if hon. members do not want it done in that way, we should be told to go back to the old system.

Mr. IRVINE: I think the index system is a very decided improvement, and I hope the minister will not make the alteration that has been suggested. If a member knows the Hansard in which the matter he wants to refer to is printed, he does not need an index; but if he has to send for four or five copies in order to get the items he wants he will find a great deal of difficulty. As the thing is done at present, all he is required to do is to look at the index, and he can find the item he wishes to refer to. That method is far in advance of the other system.

Mr. CALDWELL: I am surprised that as bright a man as the hon. member for East Calgary would present such an argument. He says he would have to get four or five volumes to find out what he wants. My hon. friend has not caught the point. With the present system of index you have to send for the index before you know what volume you want at all. Under the old system the index was inserted in each volume, so that you could find out by looking in the first volume where the item you wished to refer to appeared, just as easily as if you had the index. A man who had all his faculties would not have to send for the second volume. He would find it in the first volume.

Mr. MURDOCK: The thing he wanted might not be in that book.

Mr. CALDWELL: He has to send for the index first under the proposed arrangement, in order to find out where he will find the reference he wants, but if the index is printed with each volume he will be able to find his reference in any volume, and if it is not in the volume which he has got, all he has to do is send for the volume in which it appears, just the same as if he had referred to the index.

Mr. POWER: What does the hon. gentleman want to read the book for anyway?

Mr. CALDWELL: I do not quite understand how the hon. member for East Calgary can suggest that you would have to send for four or five volumes before you got what you wanted.

Mr. COOTE: I would like to protest to the minister against the change he has made. I think he stated that he had only heard one protest. I hope many members will rise and make a brief protest against putting the index in a volume by itself. I sent to the Library on one occasion for a volume of Hansard containing a certain debate, and when it came I found the place and put a mark in the book. It lay on my desk and some member came along and removed it, so that I had to send to the Library for the index in order to find out in what part of Hansard this debate appeared, although I had the volume on my desk. I could not find the partial debate without looking through a thousand pages.

Mr. POWER: Was the hon. member deprived of making a speech on that occasion?

Mr. COOTE: I probably had to make an extra one on that account. Possibly that argument will convince my hon. friend that he should support the protest I am now making. I hope the Minister of Labour will be good enough to accede to our request and place the index in each volume.

Mr. SHAW: I regret that I cannot agree with the hon. member for Macleod. On the other hand, I approve of the minister's attitude both on the ground of convenience and expense, and I hope his suggestion will be adopted.

Mr. NEILL: I am in favour of the index being inserted in each volume. It is more convenient and it is not much more expensive when you consider the cost of binding in the copy of the index. I do not think there could be much more expense because you have to wait till the index is prepared in any event, and we know that Unrevised Hansard comes out on the last day of the session with a paper index which will be sufficient for us for the time being.

I would like to suggest another small change which would made it more convenient and would not cost anything, and that is that the front page of each individual day's proceedings be numbered. At present the first page of the day's debate is not numbered. As the book is bound, when you open it, it always opens at one of those pages, and when you look at this page you find there is no number and you have to turn over another page. If this principle was carried out right through the whole volume it would be a great convenience.

Mr. COOTE: I would suggest that we carry the item if the minister would just say that he would consider this request.

Item agreed to.

Miscellaneous printing, $20,000.

Mr. ARTHURS: Will the minister tell us what amount was expended for printing outside the Printing Bureau, or what amount he contemplates will be spent for printing outside the bureau?

Mr. MURDOCK: Not one cent has been spent for printing outside the bureau, nor will there be any.

Mr. ARTHURS: I hold in my hand a return brought down on motion of the hon. member for South Oxford (Mr. Sutherland).

Mr. MURDOCK: That is not under this item.

Mr. ARTHURS: It is in connection with the printing done outside the Printing Bureau. I ask the minister what sum would be expended for printing outside the bureau. The minister gave me the reply a few minutes ago that not one dollar would be so spent.

Mr. MURDOCK: Of this item.

Mr. ARTHURS: This is the only item, miscellaneous printing. I cannot see why I am not in order in taking the matter up at the present time. I should like to place on Hansard a few of these figures, particularly referring to the Department of the Interior. The return states that printing done outside of the Printing Bureau from December 29, 1921, which represents the incoming of this present government, to March 31, 1922 for that department amounted to $1,127.87.

Mr. STEWART (Argenteuil): Is that 1921?

Mr. ARTHURS: Yes, from the accession to power of this government to the end of the fiscal year 1922-23. For the fiscal year 1922-23 the amount expended for printing outside the Printing Bureau was $134,882.81, and I may point out that the great bulk of this was spent in the United States. Rand McNally and Company of Chicago, Illinois, received at least ninety-five per cent of this amount. I have not added the figures but I presume their account was $125,000. For the year 1923-24 the amount is $157,471.59, and the same firm are the chief beneficiaries. During the year 1924-25 the amount spent was $55,567.32. I see no particular reason why an amount approximating $500,000 or upwards for printing in connection with this department alone should be spent outside Canada. There is no reason unless it is that the minister is trying to find employment for some of those Canadians who have gone to Chicago.

Mr. STEWART (Argenteuil): There is no change in that regard.

Mr. ARTHURS: I do not care whether there is any change or not; the fact is that this is not Canadian. it is not the proper system to follow. If we are to go back to the time of Adam and say that there has been no change here and no change there we might as well give up all attempt at improvements. We find further in the Department of Printing and Stationery, which comes directly under the Minister of Labour, that from the time the present government took office up to the present day—

Mr. MURDOCK: Does my hon. friend know what it is that Rand, McNally have been printing for the government?

Mr. ARTHURS: I am through with them now.

Mr. MURDOCK: Does the hon. member know that it is maps which cannot be printed in the Printing Bureau and which were never printed there? Does he know that this is a class of work that has never yet been done in the Printing Bureau but has always been done outside? Does he know that these items are small indeed compared to some items that have appeared in the years prior to 1921?

Mr. ARTHURS: I may tell the minister frankly that he is stating what is not true according to the figures I have here.

The CHAIRMAN: Order. The hon. member must not suggest that the minister is not stating the truth.

Mr. ARTHURS: That is, according to the figures I have. The minister says that this money has been spent on maps principally. I want to point out however that during the year 1922-23, out of $125,000 or upwards paid to Rand, McNally the amount for maps was only some $12,000 or less than one-tenth of the total, the rest being spent chiefly on ordinary printing such as the atlas of Canada, which is not a map, and things of that kind.

Mr. STEWART (Argenteuil): I am not guilty; this happens to belong to the Immigration department.

Mr. ARTHURS: So much for that; I do not intend to go further into that particular question. Now I come to ordinary printing, and I want to point out that in

the ordinary Department of Printing and Stationery there has been expended in the few years this government has been in power some $1,029,822.49 outside the Printing Bureau..

Mr. MURDOCK: What for?

Mr. ARTHURS: There are no maps included in this; it is simply for printing.

Mr. MURDOCK: My hon. friend is now stating something that is entirely contrary to the facts. He has no such record before him.

Mr. ARTHURS: The minister is deliberately stating what is false.

The CHAIRMAN: Order. The hon. member must withdraw that statement.

Mr. ARTHURS: I take it back, but I have in my hand the correct particulars. I have a statement here showing the amount paid out by the Department of Public Printing and Stationery.

Mr. MURDOCK: For lithographing, which we do not do.

Mr. ARTHURS: Does the Pembroke Observer do better lithographic work than can be done in Ottawa?

Mr. MURDOCK: No.

Mr. ARTHURS: Well, they got $64,943.

Mr. MURDOCK: On a contract for money order work similar to some placed by my hon. friend's government. A change is being made.

Mr. ARTHURS: The change has not been made yet, because for the present year 1924-25 they have received $5,500.

Mr. MURDOCK: The work relates to money order printing and will as I understand shortly cease.

Mr. ARTHURS: All through the entire list we find small papers all over Canada receiving amounts that would buy them three or four times over. The fact remains, according to this return, that the government has paid out under this head upwards of $1,000,000.

Mr. MURDOCK: For printing?

Mr. ARTHURS: So it is stated.

Mr. MURDOCK: If my hon. friend will only analyse the statement and draw a distinction between actual printing and work done which could not possibly be done in the Printing Bureau, where there are no facilities to do it, he will find that there is a material difference. If I had a copy of that statement in my hand I might analyse it for the hon. gentleman.

Mr. ARTHURS: Have this one.

Mr. MURDOCK: My hon. friend overlooked this part of the statement which I think it would be interesting to put on Hansard:

Question:

1. The total amount spent by the present government since coming into office for public printing aside from that done by the Printing Bureau.

2. The names of the firms or individuals awarded this printing, what amount of work was done by each, and at what price each year since the coming into power of the present government.

Answer:

1. The total amount spent by the present government since coming into office, for public printing, aside from that done by the Printing Bureau may be divided generally into three classes, as follows:

1. Letterpress printing which because of the printed matter required being in an unusual language, such as Ukrainian, or because on other special grounds the work cannot be economically performed in the Printing Bureau, or because the work is of an urgent nature and the Printing Bureau is too severely pressed with parliamentary or other work to perform it by a stated date.. .. .. $230,291 34

2. Work on money orders which cannot be economically performed in the Printing Bureau.. .. .. 211,058 81

A change in the style of money orders will shortly bring the whole of this work into the lithography class.

Now then, my hon. friend has not given much credit for this:

3. Work involving processes, such as lithography, photo engraving, and so forth, for which the Printing Bureau is not equipped, $588,472.34.

A thorough analysis of this return by my hon. friend would indicate entirely different figures to those that he gave to the House, and that was the reason for my correcting him and saying that a million dollars had not been spent for printing, because although lithography and photo engraving may be classed as printing, it is not printing that can be done with the equipment we have at the Printing Bureau.

Mr. ARTHURS: How much of this first item was on acount of Ukrainian literature?

Mr. MURDOCK: Comparatively little.

Mr. ARTHURS: As a matter of fact, that was only a bluff on the part of the minister?

Mr. MURDOCK: No, it is a fact that sometimes it is necessary to get out such literature in foreign languages.

Mr. ARTHURS: It would not amount to very much?

Mr. MURDOCK: No.

Item agreed to.

Labour—Combines Investigation Act—further amount required, $20,000.

Mr. MEIGHEN: It is a pretty expensive act for all the results, is it not?

Mr. MURDOCK: My right hon. friend will recall that last year I was chided for having spent only $82.

Mr. MEIGHEN: That was also too much for the results.

Mr. MURDOCK: I think there are many people in different parts of Canada who will believe that the money spent during the past year has been worth while.

Mr. MEIGHEN: Have any prosecutions been undertaken yet?

Mr. MURDOCK: I stated to the House twice under the other vote what that was.

Mr. MEIGHEN: The minister said some general instructions has been issued. That is indefinite. Has anybody actually been prosecuted? If so, who is it?

Mr. MURDOCK: As my right hon. friend probably knows, the Minister of Justice (Mr. Lapointe) appointed a gentleman to take the necessary action in prosecutions, for the reason that the provinces had failed to do so and were of the view that the Dominion should proceed. That gentleman has gone through the evidence and exhibits and has interviewed the attorneys general of the four western provinces to arrive at understandings with them, and, as I stated to the House a little while ago, we were advised to-day that he is leaving Winnipeg to-night for Vancouver, presumably to take up the necessary work. It is rather a big job, covering the four western provinces.

Mr. MEIGHEN: No prosecution has been entered yet?

Mr. MURDOCK: Prosecutions were undertaken last September, but it has not been possible to proceed with the general prosecution yet.

Mr. MEIGHEN: But the prosecutions last September were not under the Combines Investigation Act at all.

Mr. MURDOCK: They were undertaken on facts produced as a result of investigations under the Combines Act.

Mr. MEIGHEN: Under the Combines Act?

Mr. MURDOCK: Yes.

Mr. MEIGHEN: They were not prosecutions for violations of the act, at all.

[Mr. Murdock.]

Mr. MURDOCK: I know that, but there was a prosecution as a result of an investigation under the Combines Investigation Act.

Mr. MEIGHEN: Nobody has been prosecuted for violating the Combines Act; that is established so far.

Mr. MURDOCK: There have been no prosecutions.

Mr. MEIGHEN: I did not for a moment rise to dispute that the government had appointed an officer, that that officer had made some very pleasurable trips through the country and had had some fine interviews with the attorneys general; I would never think of disputing that. In fact this government would consider it a bad day if the sun should set without their having appointed somebody to something. But the fact is there has been really no result in the way of prosecution of anyone. I shall be glad to reopen the subject next session to see what prosecutions have been undertaken and with what success.

Item agreed to.

Public printing and stationery—salaries, including $500 to Fred Cook as secretary to the Government Printing and Stationery committee, $84,945.

Mr. MEIGHEN: This is an increase.

Mr. MURDOCK: Statutory increases only. I think.

Mr. MEIGHEN: Seeing that the minister quotes the decision of the Privy Council as his barricade against any further action in strikes, will the department be contracted proportionately to its usefulness?

Mr. MURDOCK: Which department?

Mr. MEIGHEN: Labour.

Mr. MURDOCK: We passed the Labour department estimates some time ago; we are dealing now with the Printing estimates.

Mr. MEIGHEN: It is akin to it.

Mr. MURDOCK: No.

Item agreed to.

Canadian National Safety League, $10,000.

Mr. MEIGHEN: When did the vote start?

Mr. MURDOCK: Three years ago at $25,000. Last year it was reduced to $10,000.

An hon. MEMBER: What work does the league perform?

Mr. MURDOCK: It is an organization, national in character, for securing co-operation in carrying on safety first work.

An hon. MEMBER: Propaganda?

Mr. MURDOCK: Propaganda too. But in Ontario good work has been done and the government of that province is contributing towards it.

Item agreed to.

Loans to Canadian National Railway Company

Amount not exceeding $60,000,000 to meet expenditures made or indebtedness incurred (where amounts available from net operating income or investments may be insufficient) by or on behalf of the Canadian National Railway Company, herein called "The Company," or any company specified or referred to in chapter 13 of the statutes of Canada, 1919, and chapter 13 of 1920 or now or hereafter comprised in the Canadian National Railways or by the company in respect of any railways, properties and works entrusted to it from time to time under the provisions of section 11 of chapter 13 of the statutes of Canada, 1919, or any one or more of such companies, on any or all of the following accounts, such expenditures or indebtedness being herein called authorized expenditures:

(a) Interest on securities, notes and other obligations; rentals for lease of lines;

(b) Equipment principal payments; sinking funds; miscellaneous maturing or matured notes and other obligations secured or unsecured;

(c) Operating income deficit, whenever incurred or ascertained;

(d) Construction and betterments, including co-ordinations; acquisition of real or personal property.

The amount herein authorized may be applied from time to time to meet authorized expenditures, in the discretion of the Governor in Council:

(a) In respect of railways, properties and works not so entrusted to the company as aforesaid;

(b) In respect of railways, properties and works not so entrusted by way of loans in cash, or by way of guarantee, or partly one way and partly the other, subject, however, as follows:

If by way of loans, the amount or amounts advanced to any one or more of the said companies shall be repayable on demand, with interest payable half-yearly at the rate fixed from time to time by the Governor in Council, secured if and when directed by the Governor in Council by mortgage or mortgages upon such properties, in such form and containing such terms and conditions, not inconsistent herewith, as the Governor in Council may approve.

If by way of guarantee, any such guarantee may be either a general guarantee covering the total amount of the issue, or by a separate guarantee endorsed on each obligation, and may be of the principal, interest and sinking funds (if any) of the notes, obligations or securities of one or more of the said companies specified by the Governor in Council, which notes, obligations or securities the companies so specified are hereby authorized to make and issue, and such guarantee may be signed by the Minister of Finance, or such other person as the Governor in Council may authorize, on behalf of His Majesty, in such form and on such terms and conditions as the Governor in Council may determine to be appropriate and applicable thereto. Any guarantee so signed shall be conclusive evidence for all purposes that the provisions of this enactment have been complied with.

Each company herein mentioned or referred to is hereby authorized to aid and assist, in any manner any other or others of the said companies, and, without limiting the generality of the foregoing, may for its own requirements and also for the requirements of any or all of such other companies from time to time:

(a) Issue notes, obligations or other securities, joint or several, at discretion, for the purposes of any guarantee made or to be made under the provisions of this enactment;

(b) Apply the proceeds of any such guaranteed issue, or the amount of loans received by virtue of this enactment, in meeting authorized expenditures on its own account or on account of any or all such other companies;

(c) Make advances for the purpose of meeting authorized expenditures to any or all of such other companies, upon or without any security, at discretion.

No purchaser of such guaranteed notes, securities or obligations shall be under any obligation to inquire into the application of the proceeds of any guaranteed issue, $60,000,000.

Mr. IRVINE: I want to present to the minister the case of a number of maintenance of way men employed on the Canadian National and to ask him to take the matter into his careful consideration. In 1904 a system of pension based on years of service was put into force by the railway companies. A clause in the pension regulations provided that to participate in a strike would bring a forfeiture of pension rights in respect to all services prior to going on strike. The maintenance of way men had had a strike in 1899, and when the company decided to institute the service pension they reckoned the service of these men from the date of the strike, 1899. The maintenance of way men were practically cut off from all services up to the time of the strike so far as pensions were concerned. I want to ask the minister to allow such of these employees as are still living or are still employed to count their full services as if the 1899 strike had not occurred, and I will ask him to do so on the following grounds: The pension regulations, it must be remembered, were not in force when the strike took place. The pensions were introduced in 1904 and the strike took place in 1899. It seems rather hard that these men should have to be deprived of their years of service and seniority because of a strike that took place before the regulations were announced. I notice that the minister is paying close attention to my remarks.

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Just so that my hon. friend will not think I am discourteous to him, I may say that this is a matter with which the Minister of Labour (Mr. Murdock) is familiar in every detail, and he is going to reply to my hon. friend.

Mr. IRVINE: I do not want a reply so much as I want action.

Mr. GRAHAM: He can give you both.

Mr. IRVINE: The Canadian Pacific had a strike of its maintenance of way men in 1901. That was three years before the service pensions were introduced, but these men were not cut off, the Canadian Pacific recog-

nized the seniority of the striking men when they introduced the pension system. I understand that the Canadian Pacific men who went on strike were able to enforce certain concessions through their organized strength, but the strikers on the Grand Trunk were not so successful and consequently were unable to make any demands whatsoever. However, the Canadian Pacific men were not deprived of their seniority. It seems to me that the National line should be at least as generous with their employees as the Canadian Pacific have been with theirs. But there is another case that is perhaps more to the point. The trainmen on the Grand Trunk were in a similar position to the extent that they went on strike, but they were in a worse position from another point of view, because their strike took place in 1910, after the agreement and the regulations respecting service pensions had been drawn up and made effective. These men were cut off, but since the present Minister of Labour came into office the trainmen have been reinstated with full seniority rights. Again I understand that there are some extenuating circumstances in connection with this reinstatement. I am very glad indeed that the minister did reinstate them. I am very glad for their sakes that they are receiving this consideration. I am certainly not speaking in any way against the action of the minister in this respect, but I would urge that the same consideration be extended to the maintenance of way men. They are not only indispensable to the whole system of railways, but they are, I believe, the lowest paid of all servants on the railway line, and it is unfair that this discrimination should be made against them for having gone on strike very many years before the pension system was introduced. We should remember that a similar grievance was remedied on the Canadian Pacific, but so far it has not been taken into consideration on the Canadian National. I do not think it is necessary for me to press the argument further. I hope when the Minister of Labour has got through answering he will be favourable to what I have just said, and I hope that the Minister of Railways will listen carefully to the Minister of Labour if he agrees with my suggestion. But if the Minister of Labour does not agree with my suggestion I hope the Minister of Railways will close both his ears and pay attention to the argument which I have put forward.

Mr. GRAHAM: I will read it.

Mr. MURDOCK: I am personally familiar with the three strikes to which the hon. member (Mr. Irvine) has referred. During the last two years there has scarcely been a month that we have not had requests to do exactly what my hon. friend is asking. We have had the matter up in the Department of Labour on several occasions; in fact I went to Montreal personally to discuss it fully with the officials of the Canadian National Railways. The situation is this: The Grand Trunk maintenance of way employees, section men, went on strike in 1899 and were defeated. Many of them went back to work in their former positions without any agreement, without any understanding, without any recognition of their right to claim previous years' service. They had put their all, figuratively speaking, in the balance when they went out on strike, and had been prepared, surely, to take the bitter with the sweet, whatever consequences might come. The result was that when many of these former employees went back to work, the company were glad to get them back, but it was on the understanding that "you start to-day, from your first day's work after the strike". Time went on and a strike of a similar character took place on the Canadian Pacific in 1901. I had something personally to do later in helping to bring about a settlement of that strike, which lasted two or three months, as I recall it. The settlement in that case had certain provisions not very favourable to the men, but sufficient to concede continuity of service to the Canadian Pacific sectionmen, and in the case of the trainmen and conductors that my hon. friend speaks of, a specific signed agreement was made between the president of the then Grand Trunk system and the organizations providing that the men should retain their seniority rights and places, and so forth.

What is being contended for now is that the men who in 1899 took a chance and lost—I think everyone whether in the ranks of labour or outside will agree that a strike is always a chance—and who went back to work on the company's terms, the company's terms being that "you, a good, capable and valued employee, are commencing work from this date so far as your service and seniority rights with this company are concerned," should now have their rights reinstated. Later on, as my hon. friend says, pension regulations were put into effect, which specifically provided that men going out on strike broke the continuity of their service. That was one of the underlying principles of the Grand Trunk pension regulations. These men now, after twenty-six years of better understanding

[Mr. Irvine.]

of the relations as between employer and employee, naturally want to get what to many of them would be valuable, that is, an allowance for their years of service prior to the time they went on strike in 1899. While some of the officials of the company look very sympathetically towards the claims of some of these men, this step could not be taken without establishing a precedent. I wrote to the general chairman of the Grand Trunk System Federation, Maintenance of Way Employees, on this question on December 8, 1924, and in part said:

> It is said that numerous cases are in evidence where employees of the railways have resigned their positions to undertake other employment, or enter business for themselves, and that later finding that the business obligations assumed did not meet with their expectations, the employees who resigned have undertaken to, and have actually been permitted to return to the service and in many cases, after a lapse of months or years, have made claim that the continuity of their rights under pension regulations should not be broken as the result of their leaving the service.
>
> Such a position cannot, of course, be maintained in relation to individuals who have left the service as stated and later returned and it is held that to make marked exception to the rule of observing the continuity of service as a prime requisite for participation in pension allowance on behalf of the trackmen who went on strike in 1899 would open up the whole field and give many individuals who had broken the continuity of their service for other reasons, claim for equal consideration.

I think that puts the actual position of the company in its proper light. I say to my hon. friend that while I have been altogether sympathetic to doing what could be done for the men, if it could be done without prejudice to other proper interests, I think this matter has been carried just as far as it can be carried. These employees my hon. friend is speaking for have from twenty to twenty-five years service on which to base pension allowance, and in many cases the pension will be quite substantial. I really could not encourage him to think that the Canadian National system would be justified, considering what there is involved in other respects, in meeting the claim made by my hon. friend, and as it has also been made to our department by many others from time to time.

Mr. IRVINE: While I acknowledge some of the technical difficulties that the Minister of Labour has pointed out, still I am loath to agree that the request which I have made with respect to these men would entail any insurmountable difficulties, nor do I think any complications of a grave nature would arise. I have here a list of the men who would be affected. It is not a very large list, and I do not see that any other person would suffer any hardship whatsoever if the Canadian National railway system were to recognize the seniority rights of these men. If the Minister of Railways were willing to give compassionate consideration to these employees, would the Minister of Labour still raise his technical objections?

Mr. MURDOCK: Not by any means.

Mr. IRVINE: That places the matter then in the hands of the minister in charge (Mr. Graham). I am sure he is very fair and very sympathetic, and that when he sees an opportunity of doing good work he will not allow a trivial technicality to stand in the way. I hope he will therefore take into serious consideration the representations which I have made, and that in due course these men will find themselves reinstated in their seniority rights as far as the service pensions are concerned. I would like to have a word from the Minister of Railways himself with regard to this. Has he given any consideration to this matter heretofore, and will he consider it now?

Mr. GRAHAM: I have not studied the details of late, but I had something to do with the matter at one time in connection with the settlement that was made with the strikers on the Grand Trunk. I would have to go into the whole matter before I would feel at all warranted in interfering with the settlement that was made at that time. I will discuss it, however, with the officials of the Canadian National Railway, but I feel I would have to take their advice largely on any step that would be taken outside of the settlement that was made.

Mr. CHURCH: I understand that it is proposed by the Canadian National Railway to erect a large 24-storey skyscraper at the corner of King and Yonge streets, Toronto, to serve the needs of the Canadian National Railway system in that city. The railway owns the northwest corner of King and Yonge streets, and next to that is the headquarters of the Home Bank. I understand the government has decided to sell this property, that a large skyscraper is to be erected, and that as many as fifteen storeys are to be taken by the railway. I understand that the government are going to try to eliminate in this way the urgent necessity of erecting a custom house building in the city of Toronto, a city that contributes $60,000,000 of customs revenue to the Dominion; also a new post office building, and to the post office revenues of this Dominion Toronto contributes $6,000,000. I think it is only fair that the contract which the government or the railways have made for the erection of this building should be produced and laid on the table. I asked for it a month ago, and the hon. member for West York has

also asked four or five times that the contract be tabled.

I have here a few telegrams I should like to read to the House. There are a large number of new buildings in the downtown district of Toronto to-day in which floor space is vacant amounting to 700,000 square feet. There is the Metropolitan building at Adelaide and Victoria streets, and the new Canadian Northern Ontario building at Bay and Victoria streets, and many other large buildings are proposed to be built. There was an inquiry before the court of revision in Toronto regarding these sky-scrapers, and the Canadian Pacific Railway Company came before the court and said that their building on the corner of King and Yonge streets paid only 2 per cent on the investment. The owners of many other buildings, for instance the owner of the Royal Bank building came along with the same story. I do not know whether this is good business or not for the National Railways; but after buying this property at the corner of King and Yonge streets, where they operated a ticket office, they remodelled the building, spending a large amount of money on it, and moved many of the offices there from down town. In addition to that the Great North Western telegraph offices away down on Wellington street were moved into the remodelled building. Now they are proposing, with a railway going behind $55,000,000 a year, to build a huge sky-scraper which is a luxury, when the city of Toronto needs a proper custom house instead of offices scattered along twelve miles of water front. We do not want luxuries at the present time, especially when the need of economy is so great, and when the railway is going $55,000,000 behind every year. Part of the freight business, the ticket selling business, and the telegraph business of the Great North Western are going to be disorganized for two or three years until this new building is completed. What we want at the present time is essentials and not luxuries. I want to read a short telegram which I received from Mr. L. M. Wood, who is a member of the Toronto Board of Trade and who, I think, is owner of the Royal Bank building across the road. I think he stated before the court of revision that he was making 2 per cent on the investment. The telegram reads:

Am informed that chartered trust company agents of Metropolitan building recently completed have offered space to National Railways at $1.65 per square foot covering their total requirements. Have seen letter from Minister of Railways which states inferentially that transaction between National Railways and promoters of new skyscraper has been closed with his approval. The whole basis of British institutions is that taxes cannot be collected or spent without parliamentary uathority. The making of government contracts through the National Railways is in direct contradiction of this principle. I hope you will insist that this contract be produced in parliament for inspection of members.

[Mr. Church.]

I am not going to read the resolution, but they say that when there are all these buildings in Toronto with 700,000 square feet of vacant office space, they think this is an unnecessary expenditure of public money. The National Railways should have a modern way of doing business and a modern office at the corner of King and Yonge streets; but after buying the property and spending thousands of dollars in remodelling the building, which is a six or seven storey building, taking the whole inside out of it, and removing the telegram system from Front and Wellington streets into that building, a year or so after it is proposed by agreement or contract—and no one knows what the contract is—erect a big sky-scraper. This may be good business in the future, but not at the present time. They should hold the property for a few years, and then the increase per foot for that particular site would go a long way to make up the deficit. This resolution has been sent to me by members of the board of trade, not as that organization, but as gentlemen having buildings which have been built quite recently and which are not fully occupied. In view of all these facts, and in view of the condition of the Canadian National Railways, and the real estate market to-day, it is a very foolish policy for the government to sell a prominent corner lot in Toronto, hand it over to another body and say to them: We will take so much of this for Canadian National offices, so much for customs offices and so on. That is not the place for a customs house. The site is too expensive for such an office as that. They tore down the old customs house and to-day we have not a customs house in the city of Toronto, although we are entitled to one. I have every confidence in the minister; he is a good business man, but he ought to tell the committee something about this particular situation.

Mr. GRAHAM: In the first place, the Canadian National is not erecting any building in Toronto. I think it was two years ago that the Canadian National and the government, in order to retain the position of the railway ticket office of the Grand Trunk which had been for many years on the best corner in Toronto, stepped in and took possession of this building, and thus frustrated a great scheme which had been arranged to put the Canadian National off that corner. The government was criticized for taking that step on account of the large amount of money paid for the corner. We paid $1,200,-

000. The proposition is to sell it for $1,250,000 cash, but to retain the right of the Canadian National Railways to have its offices where it has always had them so far as the city location is concerned, but in a modern building that is going to be built by another company. I have had all the protests that my hon. friend has had and, I think, many more. But they all come—I say so—either directly or indirectly from men who have buildings with offices to rent in them. I have discussed this matter in a very friendly way with these men, but the Canadian National Railways must protect itself, and as it is the desire of this parliament and, I think, of the people of Canada, that not only might our capital expenditure be kept down, but our capital investment returned, when a company comes along and offers the Canadian National $50,000 more than it paid for the property with the right to maintain its office on the ground floor and any other floors it likes in the building, I think we would have been very strongly censured by this House if that step had not been taken. It is unfortunate if there be in Toronto much office space that is not rented, but the Canadian National Railway Company is not responsible for that. It has an opportunity to make a first-class bargain, not erecting any building itself, but getting back the money it has in a building and getting the cash.

Sir HENRY DRAYTON: What is the rent to be a year?

Mr. GRAHAM: I will come to that in a moment. It has been said by my hon. friend —and I know this has been written to me— that the Canadian National Railways are going to take ten or fifteen floors. At the outside the Canadian National will not take more than three floors besides the main floor and they may not take that many. I cannot place the contract and agreement on the table of the House, because it is not completed for the very reason—and I will state it frankly to the committee—that the measurements given to me, at least, in the first place as to the square feet on each floor were less than the figures now appear to be on a revised estimate of the architect. I am having that investigated to see how it can be adjusted. But taking it all into account, I say to my hon. friend again that the proposition includes only the main floor and three others, and that is all the Canadian National is interested in.

Sir HENRY DRAYTON: What about the other government offices?

Mr. GRAHAM: I do not think any arrangement has been made about the other government offices. If it has, I do not know of it. As regards the main floor and the other three floors there is no doubt in the world, to my mind—and I am looking into this matter—that a good deal of that can be sublet. For instance, on the main floor, if the agreement goes through—and I am going as far as I can with the particulars of the proposition without laying the contract on the table which I cannot do as it has not been ratified—the Canadian National will have the corner that all hon. gentlemen know facing Yonge and King streets. On the King street side, where the old Home Bank property is, there will be space to sublet. On the Yonge street side there will be space to sublet also, and the Canadian National Railways will have the very centre of the position on the best street corner I think in Toronto. The rental proposed is $3 a square foot for the three floors and $16 a square foot for the ground floor. Taking the whole rental and making fair subdivision for subletting, my officials tell me we will break about even on the rental paid now in our different activities throughout the country. We will pay practically the same amount we are paying now for the old building and the different places around the city.

Sir HENRY DRAYTON: What does the rent amount to?

Mr. GRAHAM: I think about $185,000 in one case and $183,000 in the other. That is the net result.

Sir HENRY DRAYTON: How much is that lowered by the subletting?

Mr. GRAHAM: That takes subletting into consideration. I think there will be no difficulty about it.

Sir HENRY DRAYTON: How much is taken off in that connection?

Mr. GRAHAM: I have not the details. That is an estimate given to me. The Canadian National officials calculate the cost will be about the same.

Sir HENRY DRAYTON: About $30,000 for the subletting. It is $16 a square foot for the ground floor.

Mr. GRAHAM: It would be about $60,000 or $65,000 altogether. My own view is frankly that, although the proposition is to take the other three floors, all of these three floors will not be needed.

Sir HENRY DRAYTON: A gross rental approximately of $245,000 a year.

Mr. GRAHAM: No.

Sir HENRY DRAYTON: Add $180,000 to $65,000 and you have $245,000.

Mr. GRAHAM: I think it is $225,000.

Sir HENRY DRAYTON: Then you have to revise your figures.

Mr. GRAHAM: The deputy told me $225,000.

Sir HENRY DRAYTON: How is it made up?

Mr. GRAHAM: It will be 9,000 square feet at $16 and 27,000 square feet at $3.

Sir HENRY DRAYTON: That gives $225,000.

Mr. GRAHAM: Subletting two stores in the building, one on King street and one on Yonge street, as well as renting any other space we can, we believe will bring the rental down to $185,000, and we pay about $183,000 now. We will have no taxes and no insurance to pay. In the old building we paid taxes, insurance and interest on $1,200,000. The Canadian National is not buying property, but it is disposing of its property in a good way and at a good price; it will still maintain its position on the corner of King and Yonge streets and that is the only object the railway had in view. It will concentrate all the activities of the Canadian National that may well be concentrated at that particular point.

10 p.m.

Sir HENRY DRAYTON: Will the minister tell us the plan to get off the corner? That is news to me.

Mr. GRAHAM: I am not going into details, because it is a matter of memory. I may be like some hon. gentlemen, of a suspicious nature. It was stated to us that the corner of King and Yonge two years ago was in the market. A gentleman told me he had been in negotiation for it, and that a big building was to be constructed on it. We offered to enter into a contract with those people by which we would retain our position as a tenant in their new building on the corner of King and Yonge. No offer we could make would be accepted, and from many things I heard, I came to the conclusion that one of the ideas strongly in some people's minds was to move the ticket office from that corner down to the old Canadian Northern building. The railway objected to that, the government backed them up in that attitude, the property was bought at $1,200,000, the case going through the Exchequer court, and the company has been offered $1,250,000 in cash.

[Mr. Graham.]

Mr. SPENCE: I am not going to condemn the Canadian National for buying or selling this property, but I am doubtful as to whether we are going to guarantee too much rent to those who are going to put up the building. There is a lot of ground floor space in many buildings in Toronto which may be rented very cheaply. Now we must see that we are not giving too much rent to the people who will own the building, that they will be assured of making money out of the building, when other buildings in Toronto are lying idle. It is suggested by the hon. member for North Toronto that we are going to use eight or ten flats of the building for the customs department as well. I hope the government will not do that, because it will not be satisfactory to the people of Toronto. It will not be a suitable place, and it will be unfair to the city to place our customs offices there. We need a proper customs house, and I am satisfied the money you are taking from that railway building should be used for a customs buildings. I realize that could not be done between two separate departments, so that I may be getting in wrong on that point. However, I hope the minister will not endeavour to rent several flats to house the customs offices there because it will be a very unsuitable place, and if the government have any idea of co-operating with the Canadian National, in renting several storeys, as the hon. member for North Toronto suggested, for customs purposes, I hope they will abandon the idea. We need a proper customs building alone.

Mr. GRAHAM: It will not make any difference to the Canadian National whether any other department rents the floors or not, because if they wanted to take three or four floors we would not object.

Sir HENRY DRAYTON: We are learning something about railway operations, something we ought to have known before we started making our mistake. It is a very good thing we are learning and it is a very good thing to know that it is costing us just what it is costing us. We have been engaged, as I see it, in a perfectly stupid, senseless, disastrous campaign of luxury in service and fierce competition. We have been doing everything in connection with the railway administration to raise gross receipts irrespective of the effect, so to speak, on the overhead load. There is no one in this House to-day who does not realize the irreparable mistake that

has been made in the past two years and who does not believe that these unnecessary services, this ruinous competition, should be stopped. There is no one who is not firmly convinced that the purchase of de luxe equipment is practically a crime against the taxpayers of the country. But the trouble is that it has cost us so much to find this out. We have been placing too much confidence in this foolish business of keeping up with the Jones's and going them one better. This building that is spoken of is a first rate illustration of what I mean. My hon. friend says that there was a plot to get the railway company out. Well, the hon. gentleman has been receiving a whole lot of bad advice from people who have their own object in view when giving that advice. There is no secret about that building in Toronto; it was bought by the Imperial bank, as I recollect, for $750,000. The original intention was to put up a bank building there and had they built, of course there would be no place for the National. But the ground space was not large enough and the owners of the Home bank were not prepared to let it go at the price the Imperial bank was prepared to pay. As a matter of fact that property was offered for sale time and again and the price at which it could have been bought was less than the amount the company has now paid. But any excuse will do to pay money out so long as the government pays it. Some whisper here or there that there is a plot to do the railway company out of its office will turn the trick. Any excuse is good enough for the expenditure of money. The money was paid under a reference to the Exchequer court, where the question was as to whether the amount offered was sufficient. I should think it was sufficient! It was certainly more than the property was on the market for not so very many months before this arrangement was made. And what is the proposition to-day? I do not know what the exact terms of the contract are; I do not think my hon. friend knows. The information from Toronto was that the company was going to take for a period of years, the three floors my hon. friend refers to. I am told that it was for twenty years, but the minister will correct me if I am wrong.

Mr. GRAHAM: I do not know the exact period, but it is a term of years anyway.

Sir HENRY DRAYTON: But so much depends on periods. It was understood that other offices of the government, for example the offices of the Income Tax branch and other governmental departments, were to be placed in that building at certain rentals.

Mr. GRAHAM: That has nothing to do with the company.

Sir HENRY DRAYTON: My hon. friend is right; it has absolutely nothing to do with the railway as such. But I say that it has a great deal to do with the deal itself. The thing could not go on at all if the conutry were not obligated for a term of years to pay the rents; it could not be financed without it. The deal could not be made if the taxpayer, either as such or in his capacity as railway shareholders, were not directly obligated for a long period of years in connection with that building. But I go further; and my hon. friend will correct me, because I speak subject to correction. I have been unable to get the exact facts although I have tried to get them. My information is that on the ordinary calculation of sinking funds at five per cent the whole cost of that building will be paid out of the rents and, in addition to that, the whole cost of the land.

Mr. GRAHAM: What rents?

Sir HENRY DRAYTON: I am referring to the rents which I am told the country will be obligated for. My recollection is that the sum mentioned was $285,000 per annum, although we have it a little lower now. But the calculation is that the whole cost of the land and the building, the whole investment placed at $4,000,000, will be paid for out of the rents in the period of time specified, leaving the owners in possession of the property as a result of their being able to make an agreement with the government satisfactory to themselves.

Now, it has cost us an awful lot to learn the lesson that reckless railway competition at the expense of the taxpayers is about the worst kind of undertaking which any sensible country can embark upon. Let us see what we have done. In the two years 1923 and 1924 we have added to the debt of the system the sum of $234,198,872. Why, the figures are staggering. They indicate that over and above all the rates charged—and we know how high the rates are now—this mad idea of keeping up with the Jones's has taken out of the pockets of the people of this country in two years some $234,000,000 odd. Nay, rather, our future is pledged, our credits are used, and our debt is increased. That sum of $234,000,000 in but two years has been added to the debt of the railways. I am using now figures about which there is absolutely no dispute; I am taking my hon. friend's own figures. I am adopting the figures given to the House as a result of questions put during this session. The plain, naked fact remains

that in two years we have made those additions to the railway's obligations. Yes, and of that amount we have added $44,000,000 of equipment in the effort to make sure that we would have more expensive equipment than the Canadian Pacific Railway could possibly have. Well, we have got it—and we have got the obligations staring us in the face as a result of the policies adopted by this government, added obligations, let me say again, of $234,000,000. The net debt of this country in 1913 amounted to only $314,000,000, and yet in two years time, in respect of just one activity, we have managed to add to the railway debt $234,000,000. It is interesting to see how deficits used to work up in the old times. We can go back forty-one years and find that the total additions to the national debt during that period were less than the burden that the board of the National Railways, appointed by this government, have placed upon the backs of the taxpayers. But what are you to expect, Mr. Chairman, if, in place of tried financiers who know something about money, you appoint on the railway board gentlemen whose sole and only qualification was their activity in the party organization, in what they could do in this election and in that? Hon. members are aware of their names; it is not necessary to go over them; but if we have learned that reckless administration and mad competition lead us where we are to-day, we have also learned that the political hack is not the type of man in whose control these great trusts should be placed.

Let us go back again a moment and see where we were. We start out with railways which largely are railways only in name; we start out with the necessary acquisition of lines during a period of war when, as is admitted to-day by our opponents, that was the only possible thing that could be done, when, as has been stated by Sir Henry Thornton himself, that was the only policy open to us—something that had to be done. There we are with these lines, disorganized, hurriedly built, stretches of rust rather than functioning railway lines, with the necessity, at a period of great cost, to reconstruct and make them so that they could carry on business. This country had to put up a tremendous sum of money in that effort. We had then very large additions made to the debt before for a specific purpose,—that of making the railways capable of carrying the business of the country. We had to do it; it was well done; it was finished in 1921. At that time the necessity for great commitments in connection with the railways stopped, unless we wanted to spend money on frills here and there, unless we wanted to embark on all kinds of ruinous competition.

[Sir Henry Drayton.]

Now, hon. gentlemen may say, "Well, that is simply the word of a political opponent." But they will not say that Sir Henry Thornton occupies that position. As I recollect, he came out to this country in October of 1922, and the first thing he did was to go over all the lines which compose the Canadian National Railway system. He went over them. And he alone of the new appointees of the government knows something about railways. The government certainly cannot say that he does not. I do not say that he does not. But he certainly knows something about railways from the government's own standpoint. He makes his careful inspection, and, in April of 1923, reports officially as to what he finds with respect to the country's investment, the conclusion of his report, in part, reading as follows:

> Due to the consolidation of the Grand Trunk system with these lines there will not be published any additional reports grouping only the operation of those lines which are covered by this report. The report of the previous board of directors for the year 1921 was in the nature of a three-year survey of the operations and development of these lines as a government owned system. 1922 completes the four-year period of unified management of the former Canadian Government railways and the Canadian Northern railway system. The operations of the Grand Trunk Pacific, while only under complete co-ordination since October, 1920, or two and a quarter years, have been included for the full period for comparative purposes.
>
> During the period the government has provided large sums of money for the physical improvement of these properties, for co-ordination facilities, for additional rolling stock and for branch line construction.
>
> On behalf of the board, I would like to state that after inspection of the main arteries of the system, we find that the work undertaken has been well performed, and that the expenditures have been well applied. While the demands for capital expenditure on a system of such extent in a growing country, as the former board stated, are never ending, yet it may now be said that the three groups of lines, until recently the Canadian National railways, enter the consolidation in excellent physical condition and operating at a high mark of efficiency as regards actual performance or movement of traffic and other factors controllable by management.

Just there, Mr. Chairman, I pause to point out that these lines, according to the survey of Sir Henry Thornton, were "in excellent physical condition and operating at a high mark of efficiency as regards actual performance or movement of traffic and other factors controllable by management." The report continues:

> Apart from certain well-known cases of duplication, the lines are well located and in exceptional position to successfully perform the transportation demands of the country.

This is a question on which there is absolutely no doubt and no room for argument. Here we have Sir Henry Thornton him-

self, as the result of his inspection, saying that these railways, which when we took them over were as I have described, were put in a proper condition, were functioning well, and he finds no fault whatever. In a word, they are in first-class order. In 1922, as confirming what Sir Henry Thornton says, the additions to the debt came down sharply, and hon. gentlemen know that the crop of that year was nothing like as favourable as the crop of 1923. In 1922 the whole addition to the debt of the country was $59,000,000. I am not saying that that is anything to boast of, because it is not; there is no comfort in having deficits of any kind, but it is infinitely better than an addition to the debt which is almost a multiple of that amount, such as we had during a time when there was an enormous crop and great activity upon the American lines of the system, producing large profits. The whole truth is that even this government must realize that they committed what was in effect a high crime against this country when they got rid of trusted financiers who knew well the operations of the line and the value of the dollar, and put in party politicians. Well, we have had our lesson. But one is impelled to ask, what has the government been aiming at? Was the idea a total destruction of any possible chance to do anything with this system? Was the idea the tiring out of the ratepayers by insistent, ever-increasing debt additions? If not, what possible object can be fairly and sensibly ascribed to the condition that we have here? We have this keeping up with the Canadian Pacific—yes, and going them much better. We have the Toronto corner property. We have the Scribe hotel, a project which has now fortunately been fairly well nipped in the bud, but even as it is, with an investment of $2,650,000, it may work out or it may not, depending upon two factors, namely, the value of the franc and the position of the lessee as to the payment of his rent. Hon. gentlemen may say the situation is improving, but how in the name of common sense can it be said that we are improving our position in connection with this railway when in just those two years we added to our interest charges $10,093,490, and in all that expenditure, in all that added yearly load, we spent in new lines only something in the neighbourhood of as I recollect it $3,200,000—the rest is gone. My right hon. friend the Minister of Railways pointed out on a previous occasion that while all these lines which we had to take over were the result of construction under legislation of his administration, there was one exception for which he was not responsible, and that was a line built by British Columbia. My right hon. friend gave me some interesting information; hon. gentlemen will find it in Hansard of April 15th last. It shows very clearly how a line which cost the country very much less than the Grand Trunk Pacific works out as compared with the Grand Trunk Pacific. The information shows the respective freight tonnage moved by the Canadian national system on the line running from Yellowhead pass to Vancouver and the line running from that pass to Prince Rupert in each of the years 1923 and 1924, as follows:

	1923	1924
Tons of revenue freight received at Prince Rupert from points east..	33,052	26,237
Tons of revenue freight received at Vancouver..	336,501	676,942

In other words, the traffic to Prince Rupert in 1923 was 8.82 per cent of the traffic going to Vancouver, and in 1924, 3.87 per cent. There is another illustration as to the activities on that line that my hon. friend was so proud about, and it is in connection with the warehouse which was built at Prince Rupert. From the company's returns, the cost of the dock was $554,000, and the dock certainly had to be there. The cost of the warehouse was $146,000, and it is fair to say that the warehouse could not do anything until my hon. friends had spent the money which they spent upon it. It was only finished, if I remember rightly, for the business of the year 1924.

Mr. ROSS (Kingston): Is it used now?

Sir HENRY DRAYTON: I was just going to give the results. For the year ended April 30, 1924, upon all that investment the amount earned for wharfage was $1,230.80, and for storage, $983.48. For the year ended April 30, 1925, the wharfage earned was $1,013, and the storage, $444.05. Of course that is no reason why further investments of the same kind should not be made, no reason why we should not spend additional hundreds of thousands of dollars in the same place. Just to again illustrate what it cost to have a political board, instead of a board that had a sense of business responsibility, I am going to refer to the Inverness railway. Hon. gentlemen have heard the Inverness railway discussed before in this House. It was one of the Mackenzie and Mann lines, and a line of such a character that the then government refused to take it over or have anything to do with it.

Mr. GRAHAM: Before my hon. friend leaves that warehouse proposition, is he sure that warehouse was not recommended by the old board under the former government?

Sir HENRY DRAYTON: I am not sure of anything in that connection.

Mr. GRAHAM: You had better look it up.

Sir HENRY DRAYTON: I am just giving the exact facts, and I am sure of this at any rate, that the larger investment was not made during their term of office.

Mr. GRAHAM: Was not the recommendation made by them?

Sir HENRY DRAYTON: The minutes of the company are not open to my inspection. If my hon. friend says that is so, I will certainly take his word for it at once.

Mr. GRAHAM: I am informed that is the case.

Sir HENRY DRAYTON: That may or may not be. If my hon. friend is only informed, I would like to see the minute. All I am doing is giving the exact facts.

Mr. GRAHAM: You ought to give the minute then, if my facts are wrong.

Sir HENRY DRAYTON: I am giving the only facts I have. I come now to the Inverness railway, and if there is any minute of the old board on this, I would like to know it, whether it was acted upon or not. This line which could not be taken over, Mr. Chairman, on any business basis unless, indeed, one actually desired to hurt the system, had been losing money all the time. The government—my hon. friend will correct me if I am wrong—sometimes the board I know do things that the government do not know anything about, but I am going to assume in this case the board did what they ought to have done, that is, submitted the proposition to the government. The government allowed the board to make a lease of this property under which they not only have to operate, but have actually to pay some rent. My recollection is—my hon. friend will correct me if I am wrong—that the rent paid was $25,000 a year. Just let us look at these deficits, and see what has happened to the system in this way.

The net operating deficit of the Inverness railway for the year 1922 was $13,156.58; the deficit in the year 1923 was $60,494.32. Then the line is leased by the Nationals, and the deficit for the eleven months aggregate of their operation, which takes it up to December, 1924, was $96,522.39. On top of that we have to pay the rent. Again one is impelled to ask, what is the reason of it all? Why are these things done, unless the only object is to add to deficits and to add to obligations?

There, Mr. Chairman, is the sad history of these two years of operation. There are the results given to us by the government, results as to which there can be no dispute at all.

I come now to the accounts, and I am going to frankly say to the Chamber that I think the accounts are in better shape this year than they were last year. I think that the detailed assembling has improved. The accounts, subject to the matters I discussed when this was up before, and which I am not going to bother to go over again, because it is already there, are I think improved. The showing is not, of course, a showing which any of us wants to have. A lot of that showing is not the fault of the management in the slightest. I think that the management of the railway, apart from the railway board, is a very, very different thing to the board as a board. I would go further. I am sure that many mistakes that have been made cannot very well fairly be charged to Sir Henry Thornton, a newcomer to this country, chucked into the midst of the body of men of the character he was chucked into, and having to take their advice upon questions as to Canada here and there, of which he could know nothing, and no one realizes more to-day than Sir Henry Thornton the hideous mistake that has been made and the necessity of dropping all this competition. But notwithstanding that, we are still going on with radio, and last year we managed to spend in advertising, chasing this competitive business, the sum approximately of $1,200,000.

As I say, I think the accounts are improved. I also want to say this: I think the estimate my hon. friend submits to the House is an estimate which the railway will do exceedingly well if it keeps within. I frankly tell the House I do not expect them to do it. If they do it, they are going to do something which their past performance would say would be entirely impossible. So far as the amount of the vote is concerned, I have no objection to it. But I want to point out, and this is not the fault of the accounting—it is by reason of the way the law is—even the accounts themselves do not show us where we are. Take, for example, the question of locomotives, equipment, the depreciation which should be charged upon locomotives, and that sort of thing. Sir Henry Thornton in his evidence before the committee has said that in his view the general depreciation fixed in the United States is 3 per cent. He said that his own view was that the proper figure was more like 4 per cent. Well, we have

no charge whatever in these accounts for depreciation of equipment, none whatever, but it is going on just the same. We have no charge whatever for depreciation so far as the railway equipment in Canada is concerned, and the value of that railway equipment altogether is $346,000,000. Of that, some $20,000,000 odd was equipment in United States territory, and on that there is to be a charge for depreciation of 3 per cent. But if we take a round figure, for example, of $300,000,000 and take depreciation on that at but 3 per cent, there is an addition at once to our debit balance here of $9,000,000, and when we do that we are simply stating the truth. It is also true that the Canadian Pacific do not set up any depreciation account, but their system is that they set aside in special accounts sums of money which take the place of and, in some cases, more than take the place of the amount required for depreciation. It depends whether business is such that they can make this appropriation or that. I asked for information in regard to superintendence, salaries and expenses of the higher officials. I got that in so far as salaries of over $15,000 were concerned. The reason I put that amount of $15,000 was simply because Sir Henry Thornton in his evidence, when I was pressing him for reasons why the information should not be given, pointed out that it was not fair to the individuals to show that they were working for so little. I did not think anyone would be ashamed to say that he was getting a salary as big as that paid to the Prime Minister of this country, so I took the salary of $15,000. The House got the information and they know what a large sum of money that involves. The reason why I wanted that information is quite plain. There is one item in regard to which I seriously quarrel with these accounts. We have this year an increase in superintendence, salaries and expenses of general officers, of $550,000. That is, in connection with these top activities, we have added to our expenses during the year $550,000, while on the other hand we have a decrease in the payroll of $8,651,000. In other words, as regards looking after activities which are lessened by that amount, as is shown by the payroll—and I am not going to bother the committee with ton-miles and the like—with that large number of men the less as represented by salaries of over $8,000,000, we nevertheless have an increase in the cost of superintendence of $550,000. I hope next year we shall have a more favourable showing on this item and that is what we ought to have.

I will point out another thing because it is just as well to realize the truth. We shall never get anywhere unless we do. During the year we had a drop in our operating income of $4,038,221, but we show in our non-operating revenue an increase of $2,929,354. The larger part of that increase, however, is not the result of the year's operations. It does not disclose a permament increase at all. It does not show that we are worth that much more annually, but it results in cash received for the period of federal control in the United States. The similar item carried the year before was a debit of $352,554.84. This year that debit item is turned into a credit item of $1,650,392.79, making a total improvement of $2,002,947.63. Of course, the debit balance need not be now considered. That goes in any case. But if we were to disregard this windfall for the year of $1,650,392.79, the deficit as a result of this year's operations amounts to $56,510,812, making a net income deficit increase of $4,813,136. As I say, I think the amount submitted ought to be voted, but in saying that I express the very sincere hope that we are going to get some action taken which is going to stop the crazy policy of the last two years, the ruinous competition and the pyramiding of this debt, because the country simply cannot afford to go on with it.

Mr. MACLEAN (York): All of a sudden evidence is beginning to come out in this country in various directions establishing what I have tried to assert myself in a rather lone hand way in this House, that we are over-railroaded in Canada; that enormous debts are being built up, and that something must be done to stop this increase in debt and this over-duplication and over-competition we have in railways. Not only have we the statement of the hon. member for West York (Sir Henry Drayton) this evening as to the enormous increase in our railway debt, but in the evening papers and in some morning papers in this city there has been disclosed to the public the astonishing fact that a committee of the Senate of this parliament has for some days been holding secret sessions, getting information in regard to over-duplication and over-competition in our railways, and that they have proposed a system—and I believe they have the acquiescence of the two railways—for the establishment of a consolidation of the two roads, a thing which I have proposed in this House for a good many years. Apparently this committee of the Senate will recommend that consolidation, and I am further told that the two railway systems are prepared to go into it. If that be the case, is this not the time to stop this increased expenditure, for

instance, in the city of Toronto where it is proposed to erect this new building in which the National Railway is to become a tenant. Right diagonally across is the equally extravagant building of the Canadian Pacific. At the very moment when a committee of the Senate has made a rather careful investigation of this over-duplication, this insane increase in expenditures, this duplication of head offices and big stations and other kinds of expenditures, a proposal is being made in this House to make another enormous commitment in connection with a building on the corner of King and Yonge streets. The Canadian National has a right to have a first-class building on the corner of King and Yonge streets, especially because Toronto where I live is the one city in this country that believes in public ownership and does its best to build up the public railroads we have in Canada. But nevertheless, I would make this suggestion to the minister. Let him wait now for a while, and probably when the consolidation takes place they may be able to use the Canadian Pacific railway building right at that corner. I do not know that the scheme is going through, but it looks to me and some information I have to-day on my own account is that the two systems are prepared to come into it. Let us wait for a little while before we make another commitment and see what is in this report as to the proposed consolidation. Certainly some consolidation of that kind must take place or this country will become bankrupt on account of over duplication and over-competition in railways. When I raised that very question in this House and showed many ways in which this could be stopped, for a while I seemed to receive no encouragement and I appeared to be a pilgrim on a lone journey. But now the facts are coming out and being disclosed throughout the whole country that we are being over-railroaded; that we are still continuing that policy and that it must stop, or if it does not stop, the country will become bankrupt. I am rather sorry that what I said is being proved in every direction. In the United States to-day, which is the richest country in the world and which is suffering from over-extravagance in departments of government, the president has instituted a system of direct economy, of creating a budget system. And he has appointed General Lord, I think, head of that budget system, and I read in the New York Times yesterday an article on the question of the necessity of the national government there—and it applies equally to the necessity of a national government here—stopping this wild era of extravagance that prevails in both countries. The heads of the department had been clubbed somewhat by the President and are now being clubbed by General Lord who is the head of the budget department. These heads of departments are taking a pride in the fact that they are able to earn the appreciation of General Lord by showing immense reductions in the expenses of the country. In this country we have got to stop, not only the duplication of railways, but the duplication of head office expenses and unnecessary stations and we have to adopt a system of economy in all departments of government. We should adopt it in this House. We cannot afford to have two post offices in the Parliament buildings when one is sufficient. We cannot have two batteries of typewriters when one will answer. That is not economy. I heard the Minister of Railways say yesterday that he required a batch of engineers and surveyors for his own system, but to that an answer was made yesterday that all the engineers and surveyors in the United States are consolidated in the Department of War and great reductions have been made. We have to start a system of reduction cutting out all unnecessary head offices and unnecessary staffs in connection with railways, and get them down to a simple system; we must reduce the personnel of the railways. The Senate has taken the initiative in this idea of reducing unnecessary competition in this country. We should be able to build up a great railway system that will give a public service and at the same time reduce expenses. We want reduction of freights, rather than excellence of administration or rivalry in de luxe services. We want common every day transportation for the people at the lowest possible rate. One way to get that—and I am obliged to the Senate and appreciate what they have done in this direction—is to make a move in the direction of a real consolidation of the two railways. There is no necessity for two ticket offices at the corner of King and Yonge streets as the prospect appears to be now; one ticket office would do and save hundreds of thousands of dollars.

Mr. HARRIS: I will make simply one or two observations, as the minister looks tired.

Mr. GRAHAM: Not at all.

Mr. HARRIS: I will tell the minister that if he had been frank with the National Railway and Shipping committee and told us about this matter of great concern to the people of Toronto, perhaps some of the time that has been occupied in this House to-night would have been saved. Two days after that committee rose, we found in some of the press

of Ontario information with regard to the activities of the Canadian National on the corner of King and Yonge streets. If we had that information and if the minister had been perfectly frank with us, I feel that some time would have been saved and we would not have kept the minister up so late.

Mr. GRAHAM: I do not mind.

Mr. HARRIS: If the minister does not mind, I will tell him something else. In Toronto you have the Toronto Terminal Company building a great monument known as the Union station. The country owns half of it. There is a lot of office space there You have the Great North West Telegraph office. You have moved out of it for a short while and move back into it in a week or so. You have the old Canadian Northern office. You have scores of offices in the city of Toronto and you have space to take care of all the activities of the Canadian National Railway lines, and, much as I would like to see the business activities in Toronto and buildings going up here and there, I feel that I would like to see something more. I would like to see the housing industry, for housing people who are working in some industry, rather than too many public utilities and too many buildings accommodating the kind of services which is not as productive as it might be. I think it is time the Canadian National people got out of the real estate business and got into the railway business. They should get out of high financing and stick to the railway business. They should get out of politics and stick rigidly to the railway business. They should also get out of the operation of pleasure resorts and run their railway. The same applies to their radio activities.

Mr. GRAHAM: I am not going to make a speech now. I have made my statement on the Canadian National Railways, and we will let my statement and the statement of the ex-Minister of Finance go to the country for the people to talk about.

I want to say on behalf of the Secretary of State (Mr. Copp) that he moved that this item be reduced by $10,000,000, which would make it $50,000,000 instead of $60,000,000.

Amendment agreed to.

Item as amended agreed to.

Loan to the Canadian Government Merchant Marine, Limited

Loan to the Canadian Government Merchant Marine Limited, repayable on demand with interest at a rate to be fixed by the Governor in Council, upon such terms and conditions as the Governor in Council may determine, and to be applied in payment of:—

(a) Deficits in operation of the Company and of the vessels under the Company's control during the year ending March 31, 1926.

(b) Capital Expenditure in connection with the vessels under the Company's control, $668,000.

Mr. GRAHAM: That item is reduced by $232,000. It is that much less than last year.

Item agreed to.

Civil government—Auditor General's office—salaries, including Auditor General at $10,000, additional to 7-8 Edward VII, chap. 6, $315,250; contingencies, $86,000.

Mr. MEIGHEN: Are these contingencies that arise from the protests of the minister? This work is going up very rapidly but I suppose this government takes a lot more auditing than the other ever did. Does this include the new audit board?

Mr. ROBB: No.

Mr. MEIGHEN: We shall have the privilege of paying for that besides.

Mr. ROBB: There is an increase of $40,430. There are thirteen new positions amounting to $32,580.

Mr. MEIGHEN: Does the minister think that all this staff is necessary?

Mr. ROBB: The Auditor General thinks it is necessary.

Sir HENRY DRAYTON: Perhaps the minister thinks it is not.

Mr. MEIGHEN: It is necessary or is it just a fad? Does the minister really think that all this expansion of that staff is essential, with this wild increase of salaries?

Mr. GARLAND (Bow River): Is it not true that most of it is not under the Civil Service Commission?

Mr. MEIGHEN: A good deal of it is not, and the way the government is going none of it will be under the commission very soon.

Mr. ROBB: The Auditor General requires some additional staff to do the work right. He proposes to audit the revenue as well as the expenditures.

Mr. MEIGHEN: But no extra staff will be needed to audit the revenue; it is going down and there should be a diminution in the expenditures on that account.

Mr. ROBB: I have the following memorandum:

The increase in salary asked for the Assistant Auditor General should I feel be given without hesitation. The present incumbent has been in the Auditor General's office for some thirty-seven years.

From April 1, 1922 to the date of my appointment he was practically in charge of the office. I know he has been given special allowance for that period but I feel confident had my recommendation in his behalf for

a salary of $6,000 a year, to date from April 1, 1922, been submitted to the House of Commons at the last session the necessary amount would have been granted. I may point out that there are several officers in the various departments, not ranking as high in the public service, or, as it appears to me, occupying positions of equal importance, who are receiving higher salaries.

I must therefore urge as a matter of simple justice to a highly competent officer that the salary I have asked for may meet with your approval.

Sir HENRY DRAYTON: Is that made retroactive?

Mr. ROBB: The increase for the Auditor General covers the past year.

Mr. GARLAND (Bow River): What is the total salary of the Auditor General?

Mr. ROBB: Fifteen thousand dollars.

Mr. GARLAND (Bow River): What does the Auditor General think of the audit board?

Mr. ROBB: He is the chairman of the board.

Mr. GARLAND (Bow River): Why is it necessary to have an audit board in addition to an Auditor General at $15,000?

Mr. ROBB: The board was created in 1922 with a view to co-ordinating the service and looking into outside expenditures where we give grants from the public revenues, to the Canadian National Railways, for instance, and to the various harbours throughout the country.

Mr. HARRIS: What portion of this money was used to pay for the independent audit certificate that appears in the budget address made by auditors that audited the audit board that audited the Auditor General's audit of Canada's accounts?

Mr. ROBB: There was no portion of this money used for that.

Mr. GARLAND (Bow River): What has been the cost of the audit board to date?

Mr. ROBB: I have not that information here.

Mr. MEIGHEN: Will the audit board audit the Auditor General's department?

Mr. ROBB: No. The new audit board will co-operate with the Auditor General who, as I have said, is the present chairman.

Mr. MEIGHEN: Will he be chairman of the next board?

Mr. ROBB: That will have to be determined after they are organized.

Mr. MEIGHEN: What is the minister's intention about that?

[Mr. Robb.]

Mr. ROBB: Frankly speaking, I think the Auditor General himself would rather not be the chairman of the audit board.

Mr. GARDINER: To what extent are the revenues of the country audited?

Mr. ROBB: In all the different departments they have auditors. For instance, in the large revenue collecting department of Customs and Excise they have a very complete and excellent system of auditing.

Mr. GARDINER: But that does not come under the control of the Auditor General. Can the minister tell us to what extent the revenues of the Customs and Excise department are audited by the Auditor General?

Mr. ROBB: He has a right to go in and audit all these departments, but if the Auditor General is satisfied that the other auditors are doing their work satisfactorily, he may accept their audit.

Mr. GARLAND (Bow River): Will the Auditor General or the audit board audit the accounts of the Quebec Harbour Commissioners?

Mr. ROBB: The audit board.

Mr. GARLAND (Bow River): We may expect next year an audit of the five million vote of this year?

Mr. ROBB: Oh yes.

Mr. MEIGHEN: What is the sense of setting up two audit departments? We are just starting on a big duplication. The Quebec harbour accounts should be audited, of course, but why not have the work done under our own audit department? We are now setting up another department to do the auditing all over again.

Mr. ROBB: Not necessarily.

Mr. MEIGHEN: Not necessarily, but inevitably.

Mr. SPEAKMAN: What is the nature of the increase of work of late which necessitates an increase of staff? The general public service, I understand, is not being increased very largely.

Mr. ROBB: The new Auditor General feels that he should arrange to have expert men make a more thorough audit than we have heretofore had of the revenues.

Mr. SPEAKMAN: The work is more intensive rather than extensive?

Mr. ROBB: Yes.

Mr. MEIGHEN: What does the minister mean by a "more thorough audit?" Does he mean to say that the audit of our accounts has not been thorough?

Mr. ROBB: The Auditor General feels that he should have a uniform system, which is not the case now in all the departments.

Sir HENRY DRAYTON: Mr. Chairman, some days ago I explained the situation in connection with the audit board. There is one justification for it, and only one. As a duplicate system of audit it is of course ridiculous; but if it will really bring about some action in the direction of proper reform in our auditing, it will effect a great improvement. I still am of the view that the measure which I had prepared back in 1921, and which would have given us an up-to-date commercial system of preaudit, is right. If the audit board can only convince the Auditor General that it is right, and we can get a properly modernized system of central preaudit, the audit board is well worth this little vote: but if we are not going to get that, it would be very much better not to have the board at all. The real justification for an audit board is that it shall look into the system and see what improvements can be made. The system to-day is antiquated and would not be tolerated in a business institution. There will be a little difficulty in instituting a system of preaudit, but a little action would soon clear away any difficulty.

Mr. HARRIS: What was the cost of the independent audit and the auditor's certificate on the balance sheet last year?

Mr. ROBB: I will get that memorandum for my hon. friend.

Mr. GARDINER: Does the minister think the Auditor General's department has sufficient power under any statute to investigate how the income tax is assessed and levied?

Mr. ROBB: I think if the Auditor General had any doubt about the system of auditing there, and he desired to go into the department, we could authorize him to do so under the Audit Act. But there is a very excellent system of auditing in the Income Tax branch.

Mr. GARDINER: But under the law the assessment and levying of income tax is kept secret. Does not the minister think it would be advisable for the Auditor General to go in there once in a while and see if the system of assessment and levy is carried on in accordance with the law, in order that the House and the country might be satisfied?

Mr. ROBB: I am bound to say that I have not the lack of confidence in the Commissioner of Taxation that has been expressed by some hon. members. During the brief period the department was under my charge I never had any reason to find fault or to doubt that things were fairly administered there.

Mr. GARDINER: I am not questioning the capability of the head of the department, I am merely asking the minister if it would not be advisable to have such a department audited once in a while to see if the taxes are properly assessed and levied. Take the Customs and Excise department, for instance, is there any reason why there should not be an occasional investigation by the Auditor General to see that the duties are properly levied?

Mr.. ROBB: I would not have any objection whatever if the officers sent in were properly qualified and took an oath of secrecy.

Sir HENRY DRAYTON: There is no trouble about the auditing of the departments that I know of, at least there ought not to be. A great deal of this duplication everywhere will be done away with if we have a proper central preauditing system. There is no trouble about it. Hon. gentlemen have said something more than once in connection with the income tax, and I think that perhaps in justice to the department I should make a statement. It will be within the memory of all hon. members what a fuss was made and what charges were directed against the departments with respect to the Riordon taxes. They will also remember that when an investigation took place the idle and windy charges made were all conveniently forgotten just so soon as they had served their purpose. This is something that is public property, and there is no breach of trust in my mentioning it; it has already come out in the liquidation proceedings. A note was taken by the officer in charge of the branch, Mr. Breadner, for the purpose of fixing liability of the Riordon company. I might point out what is perfectly clear, that the mere taking of a note by any official cannot in any way discharge obligations under the statute. The note was taken merely for the purpose of nailing that liability; it did not of course discharge the liability. Nothing was done by the government. Prices of paper went up, and business, which was very bad in 1921, improved. I was approached twice in the matter. In the first instance I was approached by the solicitor for the

company, who stated that the assessment was entirely unfair and wanted to know if I would object if some arrangement was made. I said, yes, that every single cent of that money had to be collected; that there was no reason in law that I knew of why it should not be collected. The question was raised as to the taking of a note. I pointed out that it was perfectly ridiculous to say that that would discharge any statutory obligation, and he agreed with me. He came back later and said, "This is so grossly in excess of what we should pay that I do not think you should take that stand at all." I said, "So far as I am concerned I only want to see paid every single cent that is honestly due." Well, he said there was only one way of getting at that, and that was by putting in an independent auditor, at the expense not of the department but of those who were trying to get a reduction of the assessment. An independent auditor was put in—the same gentleman who was engaged in the ocean rates inquiry, Mr. Scott. Mr. Breadner had obligated that company to a sum a little in excess of $800,000. Mr. Scott's report was that on the actual transaction of the company that amount ought to be reduced to $400,000. So that instead of favouring the company the commissioner was taking at 100 per cent every single statement that the company had out, which, of course, was for the purpose of looking after the markets and the stock. In other words, he nailed them on their own figures. But here we have an independent man coming in and saying that the very most that was earned was $400,000—I speak in round figures. I am not objecting to the fair thing being done by the Riordon Company or anybody else, but I say the only right thing to do was to nail that liability, and instead of doing anything to discharge or weaken it the official in question did everything that ought to have been done. The government got the money, or a part of it; they got the money which was collected from the sale of certain property. They made an adjustment with the Riordon Company; they did just what Quebec has done in connection with its taxes. But so far as the inspector was concerned, far from being open to blame he was trying to get every single cent that could be got, and so far as I know that was his attitude in that case.

Mr. GARDINER: According to the statement of the hon. member (Sir Henry Drayton) here is a firm that was assessed for $800,000 whereas an independent auditor, after an examination, stated that $400,000 was a proper assessment. I am not out to get the hide of any gentleman in any of these departments; I am simply trying to look at these matters from the business point of view. We want protection for the public, and at the same time we want protection for the public revenue. The hon. member has given a good illustration of the necessity for the Auditor General's department once in a while looking over these revenue collecting departments and seeing to it that the taxes are properly levied, that people shall not pay either more or less than they should pay.

Mr. ROBB: When the estimates of the Department of Finance were under consideration on a previous occasion the question was raised of defalcations in the government service, and at that time I made the statement that one of the officials had stolen coupons and had been arrested, found guilty and sentenced to a term in the pententiary. That was quite correct. I also stated that another official had taken his own life during that period. Now, the inference that might have been drawn from that was that that official was also implicated in the defalcations, which was not the case. The official referred to had been extremely heavily worked in connection with the war, particularly in the handling of Imperial government and Bank of England gold shipments, which amounted to approximately $1,300,000,000. This large amount of treasure was handled in splendid shape and greatly to the satisfaction of the Imperial government and the Bank of England authorities. This official was also engaged in work in connection with the flotation of loans in the department and assisted in tracing the Artz defalcations. Owing to poor health and nervous trouble he took his own life early in December, 1921. His personal affairs and all affairs in connection with the department were found to be in excellent shape, and no blame or criticism could be attached to him in any way in connection with the defalcations in the department. His former minister, Sir Thomas White, and certain newspapers, referred to his death as being practically a war casualty. I make this statement to correct what might have been a misapprehension arising out of the debate the other day.

I would like also to put on record a statement with regard to the real powers of the Auditor General. I do so because following the recent debate I find in the Montreal Daily Star of June 12 an editorial headed, "Leave the Watch Dog Alone," inferring that the department was in some way interfering with the work of the Auditor General. The ques-

tions that were brought up in the last debate, were, first, whether the Auditor General of Canada is limited in any respect by statute in the performance of the duty of an auditor; second, whether the authority of the Auditor General has in any way been controlled by order of the Treasury board or the Minister of Finance, and third, whether access has been denied. Answering the first question, whether the Auditor General of Canada is limited by statute in the performance of the duties of an auditor, an examination of the Consolidated Revenue and Audit Act, section 65, will show that all the accounts of every public officer into whose hands public money comes, either in the nature of revenue or of fees of office, are the subject of an accounting by the officer receiving the same, and an account thereof is required to be submitted to the Auditor General of Canada. Section 66 requires the Auditor General of Canada to examine such accounts with as little delay as possible, and on the conclusion thereof the accounting officer is entitled to an "even and quit" certificate fro mthe Auditor General that such account is correct. Sections 65 and 66 therefore definitely bring the auditing of the public revenues and receipts of public moneys within the scope of the audit of the Auditor General of Canada. Section 51 of the Consolidated Revenue and Audit Act provides that the accounts of all payments under the Appropriation Acts shall be examined by the Auditor General and certified. Sections 39 to 42 definitely provide that no public money shall issue without the certificate of the Auditor General that there is parliamentary authority. This obviously includes payments whether principal or interest in respect of the public debt, and must involve the examination of the evidence of the payment of both principal and interest. These sections appear, therefore, to bring all public transactions within the scope of the audit of the Auditor General of Canada.

That answers the question raised by my hon. friend. Section 63 of the Audit Act provides that if required to do so by the Minister of Finance, the Auditor General shall examine and audit certain specified departments of public receipts and expenditures. This section is not to be represented as restricting the powers of the Auditor General with reference to this class of public business. Section 27 provides that "The Governor in Council may, for the more complete examination of the public accounts of Canada, and for the reporting thereon to the House of Commons, appoint an officer, under the Great Seal of Canada, to be called the Auditor General of Canada, and such officer may be paid out of the Consolidated Revenue Fund, a salary of four thousand dollars per annum," and no examination of the public accounts of Canada can be complete without a full examination of all public transactions, including those referred to specifically in sections 63 and 65, and in 39 to 42. It must be evident, moreover, that the right of accounting officers to a certificate from the Auditor General and the fact that persons who handle public moneys in any form are accounting officers, throws upon the Auditor General quite apart from any direction given to him by the Minister of Finance or the Treasury Board, the duties of examining the class of accounts mentioned in these sections, because if he did not do so he could not give the certificate required by section 66.

In answer to the second question, whether any minute of the Treasury Board or direction of the Minister of Finance has had the effect of curtailing in any way the authority of the Auditor General, it ought to be pointed out that any statement by the Minister of Finance which might appear to so curtail the duties of the Auditor General has not that effect. The letter from the Minister of Finance to the Auditor General dated January 13, 1925, which is evidently relied upon as the evidence of curtailment of authority, only cancels the direction as to certain special requirements made under section 63 of the act, but it leaves the Auditor General, notwithstanding, with the power to perform the same duties—as fully and completely as if directed to do so by the Minister of Finance—under the general requirement of the other sections which deal with the accounting and auditing of all public moneys. The letter referred to does, however, reflect a proper attitude on the part of the Treasury board and the minister towards the matters in question, inasmuch as it places upon the Auditor General the responsibility that devolves upon him under the statute rather than to appear to place the responsibility upon him under any direction made in accordance with section 63. That is, it makes it clear that the Auditor General shall go on and perform his duties without having to receive orders from the Minister of Finance or the Treasury board. He cannot later come back and say he was not advised to do so by the Finance minister or the Treasury board.

It is a fundamental principle in connection with the audit of accounts, having all the force of common law, that an auditor cannot be restricted in any detail of inquiry or examination in cases where he is required as the result of independent inquiry to sign a certificate. His certificate is his own and, notwith-

standing any statute, if he is not satisfied he may refuse to certify. If there is any form of examination which an auditor can carry on which will enable him to certify, he is entitled to enter upon and perform that examination, and there can therefore be no limitation to the authority of the Auditor General of Canada to perform a complete examination of the public accounts of Canada, notwithstanding any apparent limitations or restrictions or definitions contained in the Consolidated Revenue and Audit Act.

In answer to the third question, whether access has been denied, there has been no occasion when any officer of the Department of Finance has refused the Auditor General access to the records and accounts of the department, or when his authority to examine any detail in connection with the accounts of the department has been questioned. The only right which would be exercised in the event that a request was made by the Auditor General for access to the accounts of the department would be that the examination should be conducted at such a time and in such a way as not to interrupt or interfere with public business, and it is, of course, the duty of the Auditor General to send representatives fully qualified for the duties required of them so that these duties may be performed with an absolute minimum of interference with the public routine and so as to preserve proper custody of public moneys and securities.

The best evidence that the Department of Finance is, and has been at all times, anxious for the most complete outside inspection of its accounts is furnished by the fact that the failure on the part of the office of the Auditor General to perform the duty of examining the various loan issues previous to 1920, led to a request from the department for the appointment of an outside firm to perform such duty and give to the department the certificate to which they were by law entitled. That purpose having been served, it devolved upon the Auditor General of Canada to continue this form of examination and from time to time to furnish the statutory certificate.

Mr. BRETHEN: In connection with this question of a pre-audit brought up by the Minister of Finance, I would like to ask if he has given any consideration whatever to a system whereby we might have a reduction somewhat along the lines they are practising in the country to the south of us. It does seem to me, taking everything into consideration, that they are making more headway there in the matter of economy and reduction of the national debt than we are making in this country. I know they have certain advantages that make their position much easier, but when we take into consideration that they have reduced their national debt by some $4,000,000,000 since the war, with an anticipated reduction in taxation this year of some $400,000,000, and with some of their industrial concerns calling upon President Coolidge to call a halt in this economy campaign because they fear it is hurting sales it does seem to me that we might make more progress than we are doing by the adoption of some different system. I do not believe that under our present system of administering the departments that we are ever going to make very much reduction in our national indebtedness. I would like to draw the attention of the minister to this matter and see whether we could not provide some different method whereby we might make some more noticeable reductions in our national indebtedness.

Mr. ROBB: I am sure we all share the wish of my hon. friend that we might have a further reduction in our national debt. The reduction in the national debt of the United States, however, is very largely due to the fact that other countries have been paying them back large amounts on account of war debts. The United Kingdom, for instance, paid them back an immense amount of war debt. When you analyse their accounts fairly, and the cost of government in the United States, they are not making so very much greater reductions than we are, but of course they have immense revenues that we have not. For instance, it was brought to my attention not long ago, that whereas we collect in round figures about $54,000,000 in income tax from the people of Canada, the United States collected $50,000,000 from fifty-two people. There is a great source of revenue they have that we have not. Hon. gentlemen will be glad to know, however, that we are making some reduction.

I have here a table of the interest that we are paying on the public debt, and I notice, for instance, that in 1920-1921 the interest was $139,551,520, and in 1924-1925, $134,789,604, so that there has been a reduction in interest in that time of $4,761,916, so we are gradually making some reduction.

I might take this opportunity of saying to hon. gentlemen before they leave for their homes, that when the accounts are all fairly balanced for the year, there will be a much better showing than when I presented the budget, which was based on an estimate of revenue and of expenditure. The accounts

now have all been closed up. Last evening my colleague, the Minister of Railways and Canals (Mr. Graham), moved for a reduction of considerable amounts that he had asked for in the supplementary estimates and which we estimated we would have to pay. We are not now called upon to do that. I have not the exact figures in front of me, but hon. gentlemen will recall that when the budget was presented the surplus was $1,800,000. The real surplus over ordinary capital and special expenditure is $7,155,974.30. We have to add on the other receipts that we have had which go to make up our active assets, and the net result is that, instead of there being an increase of debt, as I announced, of something like $13,000,000, there will be a surplus of $345,589.29, including everything, railway, merchant marine and government service. Like other hon. gentlemen, I would like to go a little faster and make more progress.

Mr. GARDINER: Does the Auditor General's department audit government securities, specie and cancelled notes?

Mr. ROBB: This is a memorandum I have on that point:

Under the provisions of the Consolidated Revenue and Audit Act it is the duty of the Auditor General to examine debentures, notes or other securities representing the debt of Canada and which have been redeemed. Coupons are not to be sent to the Auditor General for audit. It is his duty to come into the Finance department and make the audit without any delay.

The holding of coupons for two years by the Finance department has nothing whatever to do with the question of audit. It has reference to a rule resulting from practice that no coupon shall be destroyed within two years after the date of its redemption. Coupons are held for at least that length of time for the purpose of reference.

The Audit office has at present and has maintained for some two years past a staff of approximately twenty-five officials stationed in the Department of Finance for the purpose of conducting the work of auditing. Every facility is afforded to this staff to enable them to carry on their work.

The Auditor General certainly authorized the cheques which were issued to repay the banks the value of the coupons and it was to be presumed therefore that an audit has been made.

I am referring to some evidence that was given before the Public Accounts Committee.

The Auditor General, however, now says that the coupons were not audited and I am content to accept his correction. He had full power and discretion in the matter.

Item agreed to.

Immigration and Colonization—Empire settlement scheme, $500,000.

Mr. GARDINER: Would the minister explain this item?

Hon. J. A. ROBB (Minister of Immigration and Colonization): The first agreement was made in April 1923, the second in January, 1924, and the present is the third agreement. It is for passage assistance only.

Passage assistance is provided for three classes only and must all be third class ocean and colonist rail in Canada, as follows:

(a) Juveniles coming through one of the recognized emigrating associations. Assistance to this class is a passage grant not repayable.

Note.—Until the beginning of this fiscal year the passage grant was for juveniles up to seventeen years. Since the first April grants have been made only for juveniles between fourteen and seventeen.

(b) Household workers. Assistance to these is by loan. The loan is repayable at a monthly rate, beginning a month after the girl is placed in service. Where a house worker takes a position on a farm and remains there for at least a year and in the interim satisfactorily repays her loan instalments, she is given a rebate of £6 on the passage.

(c) Agricultural families. Assistance to this class is alone for adults over seventeen, and a passage grant for children under seventeen. The assistance is granted only where the evidence shows that the families are coming to agricultural employment.

All passage assistance is given by the British government and the Canadian government on a fifty-fifty basis and, similarly all passage refunds are shared and any basses are borne on the same basis.

Mr. GARDINER: How much was spent of this for the last year?

Mr. ROBB: From the beginning of operations up to February 28, 1925, the figures are as follows:

Total loans granted..	$711,844 57
Total loans collected..	192,546 84

There may have been some collected since this was made up.

Mr. SPENCER: How many were brought out under this scheme last year?

Mr. ROBB: I have here the nominated passages—11,261 since the beginning of operations.

Mr. SPENCER: How long have they to repay the loans and at what rate of interest.

Mr. ROBB: One year for certain types and two years for married persons. No interest is charged.

Mr. SPENCER: If they do not pay within that time, are they charged interest?

Mr. ROBB: No. The understanding with the British government is that we do not charge any interest.

Mr. SPENCER: There are many cases in which these people have got into the hands of financial institutions, mainly owing to the effects of deflation, and they have been forced off their lands. I do not know whether these cases have been brought to the attention of the minister, but it is a fact that many farmers, and some large farmers are being forced off the land on account of the action of the financial

institutions. It seems to me something should be done to give these men who are on the land a little more time to readjust themselves. There is no doubt that conditions will improve; at least we hope so in speaking of present day farmers. If we are going to people the land, we should keep men who are very much better equipped to carry on the business of the farmer than the people we are bringing in. I hope the minister will consider the matter and if he finds that hardship is being brought about through such action as I have mentioned, that he will use his influence with these financial men to be a little more lenient in their actions towards these individuals.

Mr. ROBB: We cannot use this vote for that purpose. The conditions in this case are laid down under regulations in the United Kingdom.

Mr. SPENCER: It was my intention to request the Acting Finance Minister to use his influence with the financial institutions not to be so hard on farmers who got into debt during the period of deflation, and to give them a chance to adjust themselves in the next few years. Their debts have increased rapidly on account of deflation and they have not had time to adjust themselves. The price of pure bred stock dropped down to about a third of its value and there was no sale. These men were being pressed to pay their debts and could not do it. It is not only a hardship on these men but a great loss to the country if we lose them.

Mr. TOLMIE: We have had quite a heavy expenditure for immigration during the past few years. This year the estimates amount to $3,092,000, with civil government amounting to $300,000 more.

Looking over the last twenty-five years I think it is fair to estimate that the expenditure has been about the same, if not a little in excess of it, showing a total for that period of about $100,000,000. When we ask ourselves what has been the return for this heavy expenditure we find that immigration, together with the natural increase just about balances, or a little more than balances, the emigration from this country to the United States and to other places. The largest items shown here are numbers 62 and 63, Item 62, showing $750,000 for the outside service and 63 showing $1,350,000 for contingencies and general expenses, grants to associations and so forth. The work of immigration, as I understand it, may be divided into three parts, first the inspection and exclusion of undesirable immigrants, a very necessary work, next the inducement to immigrants to come and settle in this country, carried on by publicity propaganda, agents in various parts of the country, the whole thing boiled down really amounting to a general invitation to come and settle in Canada. The third part is the colonization work, taking care of these immigrants once they have landed here, and making satisfied customers of them. I think hon. gentlemen will agree that this last feature is the important one, that after we have done everything in the way of inducing people to come here, the most important thing of all is to get those people to accustom themselves to the conditions in Canada and induce them to remain in Canada and to become good Canadian citizens. Admitting that this is the most important part of the immigration work, then it is very interesting indeed to note the expenditure of money under these three divisions in the past. In the first place, exclusion and inspection has amounted to, judging by the last figures in the Auditor General's report, about $1,020,000. The bringing in of new settlers, $2,140,000, and colonization work, the most important of all, only $230,000. There is one point in immigration that we must never forget and that is that the landing of the settler on Canadian soil is only the beginning of the work. At that time he is only a prospect—a prospect that can be developed into a permanent satisfied settler or one who will not be satisfied, but will drift over into the United States. Admitting this, then the expenditure of money seems to be somewhat out of balance, and we find that for every two dollars expended in getting the settler here, only twenty cents is expended in making him a satisfied customer, a permanent settler in this country. I argue that we should balance this up. I am not particularly blaming the present minister, as this has been the custom in the past, and he will understand that my remarks are made in a friendly way, simply as suggestions for the improvement of the situation. I say this should be balanced up by giving more attention to colonization, either by increasing the appropriation for that purpose, by taking money from other expenditure and applying it in this way. After all, we must remember that no matter how many paid agents we have scattered throughout Europe, the United States and other countries, from which we desire to obtain settlers, the satisfied settler who has come here, located his family, and is making progress, is the best immigration agent Canada can have.

12 m.

Mr. CAMPBELL: A few evenings ago when the Immigration estimates were being considered the question of misleading represent-

ations in British newspapers as to the conditions in Canada was discussed and the minister intimated that something was to be done by the department to counteract such reports. I was glad to hear the minister say that, because I think that is the fundamental problem in dealing with immigration, and that is where the department should begin. I have here an article published in the Weekly Scotsman, Edinburgh, which is a reprint from the Morning Albertan, Calgary, and it tells the story of a sad case of Trooper Hay, lately of His Majesty's Scots Greys, stranded in Calgary. The article reads:

> Out of work, broke, hungry and with his wife in the General hospital here seriously ill (the Morning Albertan reports) former Trooper Alexander Hay, V.C. of His Majesty's Scots Greys, and late of Glasgow, somewhat embittered by his experiences in Canada, still believes that the God who watched over him during the hell of the Neuve Chapelle battle, when he made seven trips across a shell and bullet swept battlefield to bring in wounded comrades, will tide him through his present crisis.

He goes on to tell us, so the reporter of the Calgary Albertan says; that when he landed in Canada he had $1,000 in cash over his passage money. He says:

> I was first attracted to Canada by the propaganda published in the Glasgow newspapers and by the stories credited to Father MacDonnell. We were informed that as soon as we arrived in Alberta we'd get a farm and could pay for it on easy payments. We were taken right through to Edmonton, and it was here that the first cloud appeared. We were packed into the immigration hall at Edmonton—men, women and children all in the same room—and when a number of men started to change parts of their clothing in full view of the women and children, I protested, and was labelled as a "kicker".

He then goes on to tell the whole tragic story. He states that he was first induced to come to Canada by some of the reports emanating from immigration sources. Now, of all the crimes that this country could be guilty of the worst is to induce people to come here under false pretences. Most assuredly we want immigrants; there can be no question about that. And those of us who come from the west look forward to the day when immigrants will come not by thousands or by tens of thousands but by hundreds of thousands. and when they do we shall welcome them. But above everything else we insist that when they come they shall do so with a full knowledge of the conditions as they are and remain here when they do come. That is the fundamental problem for the government to deal with at the present time. I have here a circular sent out to members of parliament about a year ago under the auspices of a magazine called Canadian Opportunities. The letter makes the statement that 25,000 copies of this particular publication are being issued each month and distributed in Canada, in the United States and in Great Britain for the purpose of giving authentic information in regard to the natural resources of Canada and the opportunities that obtain here. You will note that it makes mention of authentic information to intending settlers. Let me refer to some of this so-called "authentic information." The issue of December 1924 of this magazine published in Toronto makes the statement that Canada gives the farmer credit until he gets on his feet. How many hon. gentlemen can verify that? Then it refers to the enormous profits that are made in the poultry business; it says for instance that eggs cost 16 cents per dozen to produce in the prairies and they sell from 35 cents to $1.10. This was in 1924, and it will surprise hon. gentlemen to know that in that year eggs were selling at prairie points in Saskatchewan at 14 cents in the middle of March. Yet this article states that the minimum price at which they sell is 35 cents.

An hon. MEMBER: How old were those eggs that sold at 14 cents?

Mr. GARLAND (Bow River): Let me tell the hon. gentleman that not later than this spring eggs were selling in my home town at 11 cents a dozen and then only in trade. And they were fresh eggs too from the farm.

Mr. ROBB: If that be true how is it that hon. gentlemen are afraid of competition from Australia?

Mr. GARLAND (Bow River): We never said a word about competition from Australia.

Mr. CAMPBELL: We are not afraid of competition from any part of the world. We are prepared to sell our butter, our cattle and everything else in competition with any country and we can show you how to produce. We can produce more cheaply in the west than they can anywhere else in the world. Under the caption "Buying Power of the West greater by $175,000,000" this article goes on to say that in the year 1923 the farmers had reduced operating costs so that wheat was produced at 20 cents per bushel less than in the previous year. In many districts, it declares, the farmers' profit in 1923 was estimated at 20 cents a bushel while in the year 1924 there had been an advance of more than 50 cents a bushel in the price of wheat, so that the farmer was not only making this 50 cents but he was getting the previous year's profit of 20 cents and the 20 cents a bushel saved on production cost, making a total profit of more than 90 cents a bushel on his crop in

the year 1924. It winds up with the following statement:

A profit of 20 cents a bushel on 430,000,000 bushels of grain produced last year meant to the farming community of the prairies about $86,000,000 of a buying power; but this year, with only 290,000,000 bushels at a profit of 90 cents a bushel, will give the farmers in the aggregate approximately $261,000,000 or $175,000,000 more than last year.

Does the minister stand behind that statement?

Mr. ROBB: What is the hon. gentleman quoting from? Does it bear the minister's approval or is it a newspaper?

Mr. CAMPBELL: A pertinent question from the minister. I will give him his answer. On March 2 of this year I put on the order paper the following question:

Does any department of the federal government contribute to the support of the magazine known as "Canadian Opportunities", published in Toronto?

The answer given by the Secretary of State (Mr. Copp) was:

The Department of Immigration and Colonization has a six months' contract for 1,000 copies per month of "Canadian Opportunities". These are distributed among the agencies of the department in the United Kingdom, Ireland, the United States, and the offices on the continent of Europe.

That is the answer I give the minister. Now, when a magazine of this description is distributed in the United States and elsewhere under the authority of the government I have every right to ask the minister now whether he is prepared to stand behind the so-called information it publishes and to vouch for its accuracy. Let us analyse the figures further You will note that it is estimated that the net profit of the farmers in the production of grain is some $86,000,000. But from a government publication, the Canada Year Book, I have taken figures carefully prepared by the Bureau of Statistics showing that the total loss to the farmers of the three prairie provinces in the production of wheat, oats and barley in 1923 was $58,739,000. That I think is correct, because anyone who knows the conditions in the west knows very well that the crop of 1923 was produced at a distinct loss. In that year in presenting his budget to the legislature of Saskatchewan Premier Dunning stated that the crop of 1923 although it was the greatest in the history of the province would yield the farmer $60,000,000 less than the crop of the year before. Yet this magazine, sponsored by the government and handed out to prospective immigrants in every part of the world, declares that the farmers of the west have made a net profit of $86,000,000 in that one year. You will observe that in 1924 according to this information the profit was $261,000,000. But according to the figures given by the Bureau of Statistics the total value of the crop that year was only $287,000,000. Now, if the information contained in this magazine is correct practically the whole of that amount was a profit. That is what I rose to complain about to-night. I do not think that any language is strong enough to sufficiently condemn advertising literature of that kind being placed in the hands of prospective immigrants by the Canadian government. I say that this is primarily responsible for the other propaganda, because men unfitted for farm work and knowing nothing of the conditions they have to face in western Canada, and who perhaps under any circumstances could not have made good there are induced to come here by these rosy prospects held out to them by this type of literature. Naturally those immigrants write back to the papers of the Old Country, and I hope the government in future will never be responsible for literature of that kind being placed in the hands of immigrants.

We are very often told when we complain of the conditions the farmer has to face in the west that he should work a little harder and go into mixed farming. Now, I have another pamphlet here that I will quote from:

Nowhere in the world is production of food per man greater than on the Canadian prairie. It is amazing to learn that a half section farmer produces enough food in a single year to last him and his family all the remainder of his life. If all classes of society produced as efficiently as the prairie farmer the plane of civilization would be much improved and the hours of labour greatly reduced.

The pamphlet continues:

The returns in farming, as compared with those in other occupations, are worse now than at any time within the memory of men who have farmed a lifetime. How can improvement be made?

This is not a publication sent out by the Farmers' Union of Canada, or by the Canadian Council of Agriculture, or by the Communistic party of Toronto. It has the heading of the Dominion Experimental Farms and is a little pamphlet called "Seasonable Hints," with the name of the Minister of Agriculture (Mr. Motherwell) on the front page. It should be a sufficient answer to the kind of advice referred to.

We are not opposed to immigration. I think it is unnecessary to say so, but there seems to be a feeling in this House when any of us from western Canada attempt to tell the real truth about conditions there that we are opposing immigration. It is not so. I say again, we are all proud of the country. There is no place in the world where pro-

duction per man is greater, and where the soil production so well repays the labour bestowed on it, than that of western Canada. The average production of butter in the three prairie provinces per head of rural population —I am taking it on the basis of rural population, otherwise it would be unfair to compare the western production with the eastern —the average production per head of rural population is 40 pounds; for all the rest of Canada it is only 28 pounds per head. This is the country where we are continually advised to go into mixed farming. Well, we are not only raising wheat, we are producing eggs, butter, dressed poultry, and so forth, and to-day our honey production is running into millions of pounds. We have the greatest country on the face of the earth. I should like some hon. gentlemen who have their doubts about the possibilities of Canada to come out in the northeast part of Saskatchewan where I live. We have a growth there that is almost tropical in its luxuriance, and perhaps in no part of the world can there be shown such a remarkable production of food. But what we do lack confidence in is the various policies under which this country has been run. I am not referring particularly to this government. It has been the same with all governments. There are a great many problems to be solved, and the principal one is the retention of the immigrant here instead of allowing him to drift over to the United States. I am not going to again discuss the various phases of this question, we have discussed them year after year, and we do not seem to make much impression on the government. But undoubtedly if we are to put a stop to the vicious and misleading propaganda against this Dominion in the Old Country papers, we must first of all see that none of these pamphlets sponsored by the government are misleading in painting too rosy a picture of the conditions which the immigrant will have to face.

Mr. ROBB: I observe my hon. friend from Victoria City (Mr. Tolmie) is not in his seat, but for his benefit I want to say that we are taking care of the immigrant when he comes here, and are using the Soldier Settlement Board very largely for that purpose. They are doing excellent work, as I shall be able to prove to the satisfaction of my hon. friend from Mackenzie (Mr. Campbell). He quoted the case of a man named Alexander Hay, and I am going to give my hon. friend this man's record so that he will not be misled by the type of letters written home. Here is the record:

The above-named and his wife arrived in Edmonton with Father MacDonnell's party on August 14, and the following day a job was secured for him with a Mr. H. T. Alexander of Waskatenau at $50 a month, on the understanding that he would remain with Alexander for the winter. At the end of the first month Hay quit the job and Alexander refused to pay him the amount agreed upon, as it was claimed that Hay had broken his agreement to remain for the winter. Hay accepted $14 and signed a receipt in full for this amount for his work.

He returned to the Edmonton district office and another job was found for him with a Mr. Edwards at Leduc at $60 a month and board for himself and his wife who, by the way, is a cripple and is unable to do any but the lightest work. After his first month Hay quarrelled with Mrs. Edwards, was very abusive and threatened his employer with violence. Edwards called in the police, who ran both Hay and his wife out of town.

He again returned to the Edmonton district office and our district superintendent made three offers of jobs to Hay, two at $35 a month and one at $50 a month, none of which he would accept.

On February 19, 1925, Hay applied to our district office in Calgary for employment. A job was found for him with a Mr. Ross at Elnora and he was offered soldier settlement transportation at one cent per mile to get there. Later in the day he called back and advised he could not take the job and would locate something in town.

A few days later he again called and Mr. Glover, of our Calgary office, informed him that he could place him with a Mr. Taylor at Halkirk. Mr. Hay arranged to come to the office in the afternoon to get a letter of introduction but failed to show up. Mr. Glover reports that he located him in a restaurant that night when Hay advised he had changed his mind due to the ill health of his wife.

Hay was informed on one or two occasions by our district superintendent at Calgary that we are quite willing to place him on a farm with, or without, his wife, but could do nothing in finding him a position in the city.

That is the record of Mr. Hay.

Mr. CAMPBELL: In order to combat such propaganda, is the minister getting his agents to publish the record?

Mr. ROBB: Yes.

Mr. GARLAND (Bow River): I am very glad the minister has that information. Can he tell me whether the sixty dollars and forty dollars mentioned as monthly wages during the winter included board?

Mr. ROBB: Yes.

Item agreed to.

Chinese immigration—salaries and contingencies, $75,000.

Mr. GARLAND (Bow River): Is it the policy of the department to make an attempt to do away with the Soldier Settlement Board as such and turn it into something in the way of a land settlement board, getting rid of its relationship to the soldiers?

Mr. ROBB: We recognize it now as a land settlement branch of immigration.

Mr. GARLAND (Bow River): I have in mind the continually decreasing work that will fall upon the Soldier Settlement Board as such, and it just occurred to me that the department could economize if the board were turned into a collection agency to clean up the soldiers cases—I understand that no further applications are being received from soldiers to go on the land—and the remaining activities merged into the Immigration department.

Mr. ROBB: We are reducing steadily in that department, but we have considerable outstanding money there and we must keep a sufficient staff to collect it. We are using the field men to look after the immigrants and place them as far as possible.

Item agreed to.

Exhibitions—salaries and contingencies, $140,000.

Mr. SPENCER: How much of this vote was spent last year?

Mr. ROBB: $138,267.16 for 1923-24, and for the eleven months ended February 28, 1925, $122,443.98.

Mr. MEIGHEN: How many representatives of the government were down at the exhibition at Miami last year?

Mr. ROBB: Three from our department.

Mr. MEIGHEN: How many from others?

Mr. ROBB: I do not know that.

Mr. MEIGHEN: Why, there was a whole company there, almost a regiment, putting up at the best hotels all through a long period of time. I happened to be down there myself a while afterwards and heard the story of it. The people were laughing and wondering what in the world they were doing there.

Mr. ROBB: There will be nobody going this year.

Mr. MEIGHEN: I am glad the minister is bringing fruits meet for repentance, but it should have been a great deal sooner. It is two years since the Minister of Agriculture stood up in the House and told us about the efforts of Mr. Duncan Marshall down in Florida, making speeches in Miami on behalf of immigration from Florida to Canada. Of course nobody believed anything of that story at all; it was merely a trip for Mr. Marshall at the expense of the people of Canada. I will guarantee that the department has not a record of one single immigrant from Florida in the whole history of that state. Then they follow that up with a trip of a lot of friends down to Miami last year. There they promenaded around Miami, supposedly in the interests of Canada, but the only result was to give the people of Florida the idea that this country was reeking with money that it was trying hard to get rid of.

Item agreed to.

Relief of distressed Canadians abroad, $6,000.

Mr. SPENCER: Will the minister give us an explanation?

Mr. ROBB: This is to provide relief or assistance for the benefit of Canadians who may happen to be stranded outside of Canada or temporarily financially embarrassed. The expenses are usually incurred through the office of the High Commissioner for Canada, taking the form, for the most part, of transportation back to this country. An attempt is made to collect from the person to whom the assistance is given upon his return, or from his parents, relatives or friends.

Mr. MEIGHEN: Has the department any vote for the relief of distressed Canadians in Canada?

Item agreed to.

British Empire Exhibition, $250,000.

Mr. GARDINER: Will this vote carry the whole expense in connection with the exhibition this year?

Mr. ROBB: I think so. As a matter of fact this will not cost us anything this year. It is guaranteed to us and paid back by the British Empire Exhibition Company, but we have to put the amount in the estimates to pay our expenses.

Mr. GARLAND (Bow River): Is the British Empire Exhibition Company a private company, or is it guaranteed by the British government?

Mr. ROBB: I think it was a private undertaking when it was started, but a member of the British government personally went guarantee for certain expenses.

Mr. GARLAND (Bow River): The company is not having a very successful year. I wonder if the minister had not better reserve a little of that item in the estimates in case of bankruptcy.

Mr. ROBB: I think it is pretty safe.

Item agreed to.

Soldier land settlement—advances to soldiers, and re general settlement of lands held under the Soldier Settlement Act, cost of administration of soldier settlement and general land settlement, including salaries, $4,500,000.

Mr. CAMPBELL: Is any further land settlement involved in this? Are they settling any more men on the land?

Mr. ROBB: This is to provide for certain commitments that were made for soldiers who were in training in the agricultural colleges. I do not think there are very many put on.

Mr. CAMPBELL: I presume the policy of the department now in case of a soldier applying for land, is to try and place him on some of the salvaged lands of the department?

Mr. ROBB: Yes.

Mr. CAMPBELL: Is the price of these lands generally reduced when sold to another man now?

Mr. ROBB: If my hon. friend desires much information along this line, I had better have the director come in.

Mr. CAMPBELL: I will not press the matter.

Mr. SPENCER: I take it this will be more in the way of a loan.

Mr. ROBB: It is all loan.

Mr. SPENCER: What rate of interest is the government charging the soldiers?

Mr. ROBB: It is fixed by the act. I think it is 5 per cent.

Mr. GARDINER: What portion of this item is for administrative expenses?

Mr. ROBB: $907,780.15.

Mr. GARDINER: That was last year? What is the estimated cost this year?

Mr. ROBB: It will be less. I have not the figure.

Mr. ROSS (Kingston): I have before drawn attention to the report in regard to expenses under this soldiers' settlement board. Can the minister tell me the number of automobiles used in connection with the board?

Mr. ROBB: I am sending for the chairman of the board. We can let this item stand in the meantime.

Item stands.

Advances to soldiers, and re general settlement of lands held under the Soldier Settlement Act, cost of administration of Soldier Settlement and general land settlement, including salaries, $4,500,000.

Mr. LOVIE: I do not know whether I am in order under this item, but I should like to refer to a request I made to the Department of the Interior two years ago with reference to a quarter section of land in the Stockton district in Manitoba that was asked for by a farmer living alongside that land. This quarter section was in the large sand hills and contained only about twenty acres of arable land, the rest being fit only for pasture. I was requested to see the Department of the Interior, so that this quarter section could be attached to this man's farm living alongside. When I was in that district just a year ago I asked the farmer whether he had succeeded in getting possession of this quarter section, and he said no, the land had been given to a returned soldier. Now if the statement made to me was correct, I want to say that it is absolutely useless giving land like that to a returned soldier. No man, however good a farmer he may be, could live on twenty acres of land when the rest of the quarter section was all sandy land, and if there are very many soldiers being settled on land of that kind there are going to be a good many failures. The best farmer in the world could not succeed on such land.

Mr. ROBB: I will have that looked into.

Mr. LOVIE: Unless there has been some mistake in the information that has been given to me, a returned soldier has been settled on this land.

Mr. ROBB: Is it Dominion land?

Mr. LOVIE: The man who wanted it, Mr. McLaughlin, who is a farmer and storekeeper, said it was Dominion land and he thought it would be open for homesteading, and one of his boys would homestead it.

Mr. ROBB: Of course, a returned soldier would be given preference in filing for the land.

Mr. LOVIE: What I want to point out is the bad business management that will allow a returned soldier to settle on land like that. There were only 20 acres of arable land in a sand hill on the edge of the Assiniboine river, and the rest of the quarter section was not good enough to pasture.

Mr. ROBB: Did he consult the board?

Mr. LOVIE: I do not know anything about that. All I know is that the farmer said he could not get the land, that it had been given to a returned soldier. If there are many deals like that going on, I pity the returned soldier.

Mr. ROBB: I am told that some six thousand soldiers have filed on lands that have

nothing to do with the Soldier Settlement Board at all.

Mr. LOVIE: I do not know about that at all. I thought some guardian angel was looking after all the returned soldiers.

Mr. ROBB: In reply to the hon. member for Kingston (Mr. Ross), the number of automobiles used in connection with the board is 138.

Mr. ROSS (Kingston): How often are these automobiles changed?

Mr. ROBB: Every two years.

Mr. ROSS (Kingston): And some sooner than that?

Mr. ROBB: Two running seasons. It is cheaper to replace them than to pay for the expenses of reconditioning them.

Mr. ROSS (Kingston): In addition to that, when it comes to placing the harvesters, there is also a very large expenditure for automobiles and gangs.

Mr. ROBB: In placing the harvesters returned soldiers are employed on a per diem rate. That was two years ago; we are not doing that now.

Mr. ROSS (Kingston): I wish the minister, just for his own satisfaction, would have some person estimate the cost of such things as these automobiles, and so on, to give him some idea of the expense to which the department is being put. Some time last year I drew to the minister's attention that certain officials had been sent overseas, equipped with haversacks, kit bags, trunks, and so on, and there was a promise given then that such would not happen again, but I see that almost the same officials have taken another trip, with expenses for almost as much equipment, but the Auditor General refused to pay the account. It looks as if there was very little supervision over the expenses, and I would like to know if this additional expense has been paid by the department.

Mr. ROBB: It is the same trip my hon. friend is now referring to. The account was refused the first time, and they put it in again. My hon. friend will be glad to know it was not the Auditor General, but the Treasury board, that refused to pay the account, and I am glad to know the Auditor General has approved of our action.

Mr. ROSS (Kingston): It is not the same trip. This is a trip to India.

Mr. ROBB: It is the same trip, I am informed.

[Mr. Robb.]

Mr. ROSS (Kingston): The expenses I referred to last year were paid, and the House was ashamed to hear the items of expenditure. Even the initials were put on the trunks and paid for. It is not the same trip, but I do not want to take up the time of the House now to prove I am right. The accounts I refer to were paid last year, and the promise was given that such a thing would not occur again. Some of them had even two travelling trunks, but this year I notice an expense account was put in in connection with a trip to India and I am sure it has been paid, but the Auditor General would not pass the account.

Mr. ROBB: I am told a few things were paid for, but I recall that the Treasury board refused to authorize an account. Perhaps that is the account that the Auditor General refused and that they tried to smuggle through the Treasury board afterwards. I recall that during the winter the Treasury board refused to endorse an account of that kind.

Mr. ROSS (Kingston): In spite of this shameful charge, these same officials tried to put this account over again. It is enough to provide trunks and travelling bags for one year, but this kind of expense is going on from year to year and it amounts to many dollars. Then it is said the Soldier Settlement Board scheme is a failure. It has failed on account of want of care and supervision over unnecessary expenditure.

Mr. ROBB: I am told it was the same trip they were trying to put in an expense account for. These officials have since been let out.

Mr. SHAW: Are these automobiles purchased by contract?

Mr. ROBB: By the Government Contracts Supervision Committee of which Colonel LaFleche is the head.

Item agreed to.

Immigration, outside service—salaries—further amount required, $50,000.

Mr. ROBB: When the main estimates were up, I explained that we wrote off $70,000 on account of reclassification. I explained then that we would have $50,000 in the estimates which makes a net reduction of $20,000 in the department.

Mr. MEIGHEN: That is much less proportionately than the reduction in immigration.

Mr. ROBB: This is immigration.

Mr. MEIGHEN: But the reduction in cost is much less than the reduction in the number of immigrants.

Mr. GARDINER: I should like to place before the minister a case which I happened to get acquainted with last fall. The department has in its employ a gentleman who is trying to get immigrants from Scotland. I do not know what agreement he has with the department, but I understand he is being paid a salary and also his expenses. It seems that this gentleman was responsible for bringing out a number of settlers from Scotland, and in order to make up the quota for that particular voyage, he picked up some immigrants in Glasgow, a part of the country from which he was not in the habit of getting immigrants to come to this country. These people came out to the province of Alberta, and the particular immigrant and his family to whom I wish to refer were sent down to the southern part of Alberta. They went and occupied a house on an empty farm there in a very desolate part of the country, very close to a school. This school was not running at the time, and he went to the municipal council and demanded that the school should be run in order to provide education for his children. The municipal authorities said that, under the circumstances, they did not feel justified in opening up the school for his children in view of the fact that he was not a ratepayer and was staying on that farm merely by suffrance. A little later on he went to the municipal authorities again and asked for money to buy coal and provisions during the winter. They refused to give him money to buy provisions. They asked him if he would care to take a job and he said "No, I do not want any job. I did not come to this country to work. I have been living on the dole in the Old Country and I am not going to work." It is time that these gentlemen who are employed by the department for only part time, should be looked after a little more closely in order to see to it that we get in this country a class of immigrants that will be of some value.

Mr. ROBB: I think there were three or four such cases that came out. I imagine I have in mind the gentleman to whom my hon. friend refers, but he has been an excellent agent and has brought out a number of good people. The people he brings out are, as a rule, satisfactory, but a few cases were deported.

Mr. GARDINER: What would the department do with a family of that description—send them back again?

Mr. ROBB: If my hon. friend will give me the name in confidence to-morrow, I will get a record and let him know exactly what has been done.

Item agreed to.

New Zealand and South Seas exhibition, $145,000.

Mr. MEIGHEN: What is this?

Mr. ROBB: This is an exhibition at Dunedin, New Zealand, starting in November. We have been invited to go into it. We have had very friendly relations with the Dominion of New Zealand for many years, as my right hon. friend knows. The balance of trade is very much in our favour. It may cost us $100,000 for the exhibit. The exhibitors are to pay for space on a higher rate than at Wembley.

Mr. GARDINER: Is it proposed that Canada shall make exhibits at this particular exhibition and, if so, what will be exhibited?

Mr. ROBB: Minerals, and other natural products, in order to show the resources of the country. Mr. Turcotte, who laid out the exhibit at Wembley, and who beat out all the other exhibitors in the world, will be on his way down to New Zealand just as soon as this vote passes, to arrange for the exhibit.

Item agreed to.

Government Contracts Supervision Committee, salaries, including that of L. R. LaFleche, secretary, $6,000 and that of L. H. Beer, salvage officer, $5,000, telephones and telegrams, travelling expenses, stationery, et cetera, $24,000.

Mr. GARDINER: Who comprises this committee?

Mr. ROBB: The head of the branch is Colonel LaFleche, and Mr. Beer has charge of the salvage department.

Mr. GARDINER: Is it a committee of just two people?

Mr. ROBB: No. I think there are three or four in the office.

Mr. MEIGHEN: This is the purchasing board, the negative of what there was. Do they do anything now?

Mr. ROBB: I am bound to admit frankly they do not do as much as I would like to have done, but my right hon. friend will recall the difficulties he must have had when he was in power to induce the different purchasing agents of the departments to use that department altogether. They are doing very excellent work particularly in the salvage.

Mr. MEIGHEN: What are they salvaging?

Mr. ROBB: Anything there is to salvage.

Mr. GARDINER: Is it proposed to send the committee up to Hudson bay to salvage the railway.

Mr. MEIGHEN: Would the minister consider salvaging the committee?

Mr. POWER: There are some good men on it.

Item agreed to.

To provide for salaries and expenses of the advisers engaged in tariff inquiry. Payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder, $30,000.

Mr. GARDINER: Is this the famous proposed Tariff Board?

Mr. ROBB: Yes.

Mr. GARDINER: How many members will compose the board?

Mr. ROBB: I am not yet sure. I would not like to have too large a board. I propose as far as possible to use the officers that are in the department. They will require some expert outside help.

Mr. GARDINER: Will this House have the benefit of their advice?

Mr. ROBB: They will report to the minister.

Mr. GARDINER: Not to the House?

Mr. ROBB: The minister will have to justify anything he presents to the House.

Mr. GARDINER: Does the minister not think that the House should be furnished with the information this board may obtain, in order to guide our steps?

Mr. ROBB: I may say, as acting minister, that I will not refuse anything that is reasonable, but my hon. friend knows that under our parliamentary system the government of the day must take the responsibility for whatever policy they present to parliament.

Mr. GARDINER: That is not always advisable, because parliament might sometimes be misdirected, and if parliament had the information which this board could gather we could probably justify our action better than we could otherwise.

Mr. ROBB: I think generally speaking the information will be before the House.

Mr. MEIGHEN: What does the minister mean by saying that the government is responsible for the legislation?

Mr. ROBB: I think that every government in power is responsible for the tariff policy they bring before parliament.

Mr. MEIGHEN: My hon. friend surely does not mean that this government is responsible for any legislation? It brings in legislation, sees it collapse in the House over and over again, but smilingly goes out and brings in some more legislation, and the responsibility is at an end. Why is the Civil Service Act thrown overboard in this case? Why is the government continually eating into the act, chopping it off here and there. Why does it not repeal the act instead of doing it by inches as it is doing? Every time any one is to be engaged, all through these estimates, we find the words "notwithstanding anything in the Civil Service Act contained."

Mr. POWER: You will do it next year.

Mr. MEIGHEN: No, we will not do it next year. The hon. member knows very well that we will not. It took many years to get this step, but this government is yielding week by week. By the time we get through the supplementaries I do not know what there will be left at all. The labours of years will be thrown away.

Mr. McTAGGART: Will the minister say when the members will be appointed to the board, or have they already been appointed?

Mr. ROBB: As soon as I can get time.

Mr. MEIGHEN: If they are officers of the department, why pay them $30,000 more?

Mr. ROBB: They may have to travel some, and may require some clerical assistance and some expert advisers on the board.

Mr. MEIGHEN: New men?

Mr. ROBB: Well we might require them for a time.

Mr. MEIGHEN: Why go outside the Civil Service? All this illustrates is that the government is bound to have some of its own friends put on.

Item agreed to.

To provide for the salary of Walter Duncan at $3,550 per annum—further amount required, $1,000.

Mr. SPEAKMAN: Who is Walter Duncan?

Mr. ROBB: He is a special officer in the department. I would rather not say too much about him. I would be glad to tell my hon. friend privately.

Mr. MEIGHEN: Is this the man making reports in Toronto?

Mr. ROBB: Yes.

Mr. GARDINER: Is he the man who prevents smuggling of diamonds into this country?

Mr. ROBB: He helps to stop it as much as possible.

Item agreed to.

To provide, subject to the approval of the Treasury board, for salaries, reclassification, revision, promotions and increases, $344,627.

Mr. MEIGHEN: Will the minister explain this?

Mr. ROBB: This is in lieu of the bonus that has been paid for years, and is due to the reclassification by the Civil Service Commission. It involves all the different departments. My hon. friend will recall that in previous years there was a bonus voted in the estimates for the different departments, and this reclassification is made by the Civil Service Commission for the different departments. Some have been made previously and others have been made during the year. The Post Office Department and some others were reclassified. I am not sure whether the Customs was reclassified.

Mr. MEIGHEN: Will the minister lay on the table a statement showing how this amount was made up? It is down here to the last dollar. I do not quite understand. If it is a reclassification it should have appeared in the main estimates, department by department, the same as any other item.

Mr. ROBB: Some of the reclassifications were made after the main estimates had been presented. I will place the statement on the table. It is an estimate from all the departments.

Mr. MEIGHEN: It should appear in the estimates, department by department, and the number of the various civil servants who were receiving it. This is not the right way to do it, and why is it subject to the approval of the Treasury board? If the Civil Service Commission have reclassified, and if the government have approved of the reclassification —and they must have or it cannot take effect—what is the idea of subjecting it to the approval of the Treasury board?

Mr. ROBB: I think all these reclassifications must come before the Treasury board. I have heard my hon. friend argue that they do not need to increase salaries unless they wish.

Mr. MEIGHEN: The reclassification must come before the Governor in Council and be approved by him, but once it is approved by the Governor in Council, involving the increases, then the increases go into effect, and there should be no whip hand in the Treasury board to grant one and deny another. It is just patronage.

Mr. ROBB: No.

Mr. SIMPSON: How does this amount compare with the amount paid last year for bonuses?

Mr. ROBB: I think it is much smaller than last year.

Mr. MEIGHEN: At page 15 of the supplementaries; item 492 provides for $1,297,340 for the same purpose, subject to the approval of the Treasury board for salaries, reclassification, revision, promotions and increases, including amounts required to cover provisions of order in council. The remarkable thing to me is that there is nothing in these votes in the way they are worded to make it compulsory that the reclassifications, promotions and increases shall be recommended by the Civil Service Commission. So far as the wording of the votes is concerned, the government could distribute the money at will. I think there should be inserted in the votes some proviso that there shall be the prior recommendation of the Civil Service Commission.

Mr. HARRIS: How far has the reclassification gone?

Some hon. MEMBERS: Louder.

Mr. HARRIS: These hon. members who are shouting "louder" came into this House in 1921 and, if you will excuse the simile, they reminded me then of a carload of cattle let loose on the range. The leader of the government thought it necessary to coax them along with the familiar "soo-soo" which is used when a man is leading a herd. Now at the end of this session they find themselves within the corral made up of the four thousand iron men they will get if there is another session, or the Liberal nomination they expect in case of an election; and on this occasion the Liberal leader is behind driving them with the well known herdsman's roar "soo-hog, soo-hog." I apologize to the minister for having introduced this digression and I would ask for some information regarding the reclassification. How far has it gone?

Mr. ROBB: The reclassification is completed.

Mr. MEIGHEN: Are the bonuses stopped?

Mr. ROBB: Yes.

Item agreed to.

To provide for legal and other expenses in connection with prosecutions resulting from the failure of the Home Bank of Canada, $6,000.

Mr. MEIGHEN: We did not prosecute anyone in connection with the Home Bank.

Mr. ROBB: There was a solicitor Mr. Scott of Toronto, holding a watching brief for the department.

Mr. MEIGHEN: What did he watch?

Mr. ROBB: He was there all through the proceedings.

Mr. MEIGHEN: What good did he do?

Mr. SIMPSON: I thought the Chief Electoral Officer was supposed to look after legal work of this kind. Why was he not assigned to this work?

Mr. ROBB: Mr. Scott resides in Toronto where the liquidator was.

Mr. MEIGHEN: I cannot understand why the government needed anyone to watch that case any more than any other prosecutions. It is an easy way to earn $6,000, to sit around court while a prosecution is going on. The department had no financial interest in the case.

Mr. ROBB: In the mind of the public it had a considerable interest.

Mr. LAPOINTE: The present Minister of Finance (Mr. Fielding) went to Toronto after the Home Bank failure and it was agreed with the provincial authorities that Mr. Scott should be associated with counsel for the Attorney General of Ontario.

Mr. MEIGHEN: Did the provincial authorities want it?

Mr. LAPOINTE: Yes, I think so.

Item agreed to.

Immigration and Colonization—additional liabilities in connection with the closing of the Canadian exhibit at the British Empire Exhibition (Governor General's warrant of October 1, 1924), $150,000.

Mr. MEIGHEN: How much did the exhibition cost altogether?

Mr. ROBB: I had the information a few minutes ago, but the deputy minister has taken the file away.

Item agreed to.

To hereby provide, notwithstanding anything contained in the Consolidated Revenue and Audit Act, or any other Act or Law, for payment to the Right Honourable W. S. Fielding, in recognition of his long and distinguished public service, of an annuity at the rate of $10,000, to commence upon his retirement from public life and to continue thereafter at the above rate during his lifetime, $10,000.

Mr. GRAHAM: Mr. Chairman, I presume there will be no objection to this vote, but I think it is fitting to say a word about the distinguished services rendered by this wonderful little man to the Dominion. He has devoted his whole life to his country. He entered public life a poor man and has remained a poor man to the present day. Even at this moment his thoughts are all centred on the administration of the national affairs. No matter what we may put in the estimates, we could not repay the great service that has been rendered to Canada by the Right Hon. W. S. Fielding.

Mr. MACDONALD (Pictou): Mr. Chairman, as the colleague from my province of the right hon. gentleman, knowing him as I have from boyhood, how unselfish he has been in the public service, and how devoted to the aims which he thought best for Canada as a whole, I should like to add a word of appreciation. Now stricken by illness, it is impossible for him further to carry on his life work, and I am sure that the House and the country generally will agree that the proposal of the government is one which will be approved everywhere.

Item agreed to.

Mr. ROSS (Kingston): Before the minister leaves his seat, may I refer to answers he gave me in regard to the Soldier Settlement Board? I would draw his attention to the fact that the two items are not the same. The one I referred to last year was for kit bags for Colonel Innes and Mr. Dabson. These same gentlemen you have sent out to India, and this time they have equipped themselves with tropical clothing.

Mr. ROBB: That is the one the Treasury board refused.

Mr. ROSS (Kingston): Are these men no longer in the service of the country?

Mr. ROBB: I based the information I gave to my hon. friend on the statement made to me by the chairman of the board, but if he has any doubt about it, I will have it checked up to-morrow morning.

Mr. ROSS (Kingston): I want to show that while last year these gentlemen were equipped with kit bags, this year it is tropical clothing —$537 to Colonel Innes and $265 to Mr. Dabson. Here again, too, I observe items for kit of $69 to Colonel Innes and $56 to Mr. Dabson.

Mr. ROBB: The Treasury board refused to pay those accounts.

Mr. ROSS (Kingston): But they are not the same accounts that I refer to. They will not be paid?

Mr. ROBB: No, sir.

Mr. GRAHAM: We will take a few more items of supply.

Mr. MEIGHEN: Mr. Chairman, there is a limit to everything. I do not mind sitting up away past the usual hour once in a while, but when we are asked to do so all the time I think it is a little too much, especially from a government which at one time was wailing to high heaven about night sittings.

Mr. GRAHAM: We are going to be reasonable, Mr. Chairman. I have sat up with my hon. friend several nights to put estimates through.

Mr. MEIGHEN: Just one night each session.

Mr. GRAHAM: He was not at the head of the government then, but he was really one of the best men behind the government. If we are going to prorogue on Saturday, as we hope to, we will have to sit a bit late to-night.

Mr. MEIGHEN: We have never done anything like this before. For two nights we have sat up until three o'clock and last night it was half past one before we adjourned.

Mr. GRAHAM: Let us put a few items through and then we will go. We do not want to be too hard.

Mr. MEIGHEN: Nobody has been holding any government measures back, but I do object to sitting here any longer on estimates. If there has to be one whole night devoted to supply, well and good, I am not the one to whine, but I do not like to be sitting here for two-thirds of the night for some weeks and a whole night besides.

Mr. GRAHAM: We do not want to keep the House too late. Let me be the judge.

Mr. MEIGHEN: It is too late now.

Mr. GRAHAM: I think we had better put a few items through.

Mr. MEIGHEN: While I am on my feet. may I refer to the fact that the government does very little to meet the requests of anybody else. Yesterday I called attention to a return brought down which was a farce, as the government virtually admitted; I mean the return on the Ocean Rates committee. To-day comes, and not another particle of information about it, the return not completed. Another one is brought to my notice to-day by the hon. member for West Algoma (Mr. Simpson), a return which is equally worthless. The question which I put on the order paper weeks ago, and which I called attention to yesterday, still remains unanswered. Evidently it is the government's intention to try and slide through this session without complying either with the orders of the House in this matter—especially when attention is called to them,—or answering questions that we consider important. I just want to say that I expect the question to be answered and these returns complied with to-morrow.

Maisonneuve—public building, $50,000.

Mr. MEIGHEN: Are these new buildings?

Mr. COPP: Yes.

Mr. MEIGHEN: What is the idea of starting a lot of new buildings?

Mr. CANNON: That is a section of the city that has grown considerably of late.

Sir HENRY DRAYTON: What about Kenogami?

Mr. VIEN: My hon. friend knows of the development that is taking place at Kenogami. As a matter of fact they are spending some sixty or seventy millions on a power project there.

Item agreed to.

Montmagny public building and armoury—local improvement taxes, $2,801.33.

Mr. GARDINER: Why are local improvement taxes paid in this case?

Mr. COPP: These are for sidewalks and works of that kind—improvements and services.

Mr. BRETHEN: In connection with these items, what is the meaning of "public works, chargeable to income?"

Mr. COPP: It is a matter of bookkeeping in the Finance department.

Mr. BRETHEN: That does not clarify the situation.

Mr. MEIGHEN: The great bulk of public works are chargeable to consolidated revenue, supposed to be paid each year from the revenues of the country, and only such are of immense magnitude, supposed to go on forever, are chargeable to capital, such as the Welland canal and institutions of that kind.

Mr. SPEAKMAN: On what principle are votes for new buildings placed in the supplementary estimates? I always understood that supplementary estimates were to provide for exigencies that might arise after the main estimates were brought down.

Mr. COPP: I am informed that it has been customary to initiate public works by votes in the supplementary estimates in order to prepare for the contracts and construction work, which would be continued in the estimates of the following year.

Mr. SPEAKMAN: Is it because the supplementary estimates come down in the early morning of the last days of the session? It does not look to me like a good principle.

Mr. MEIGHEN: What the hon. member says is absolutely right; there is no excuse for new buildings being provided for in the supplementary estimates. Certainly I do not say there should not be supplementary estimates; they are necessary, especially in these long session parliaments. But there is no excuse at all for new buildings being provided for, a whole list of them, in the supplementary estimates. I invite the minister now to get up and tell the committee the real reason why these votes are included here.

Mr. COPP: The information I have is that it has been customary to bring down supplementary estimates such as these for the commencement of work on public buildings.

Mr. MEIGHEN: The commencement of new buildings?

Mr. COPP: Yes.

Mr. SPEAKMAN: The principle of supplementary estimates should be that the need for the works provided for was not apparent at the time the main estimates were made up, and that explanation has been given me before in regard to other supplementaries. I do think that the need of these public buildings should have been apparent when the main estimates were being prepared. I am not taking exception to the public buildings themselves; they may be necessary, I do not know. While we should not shirk our responsibilities as to these expenditures simply because we are tired, as a matter of fact none of us is in a position under the circumstances to see whether these buildings are necessary or not.

Mr. COPP: The remarks of the hon. member will be noted and passed on to the minister.

Item agreed to.

Waterloo—public building, $20,000.

Mr. SPENCER: What are these public buildings?

Mr. COPP: Post offices and custom houses.

[Mr. Speakman.]

Mr. BRETHEN: I understood from the minister's explanation that these supplementary estimates were preparations for new buildings, but it looks as if we are going to be committed under these items for huge expenditures for these buildings. I understood it was the intention of this government to withhold the expenditure of large sums of money for public buildings until such time as the financial condition of this country warranted going on with them. I do not believe we have reached that stage yet.

Item agreed to.

Gravenhurst—public building, $20,000.

Mr. GARDINER: Is this a new building, and will this amount complete the work?

Mr. COPP: We have a site there, and this is the amount required for the erection of a public building for postal and customs purposes. The site was purchased in 1913.

Mr. GARDINER: Will this amount complete the building?

Mr. COPP: Very largely. There may be something more later on.

Mr. MEIGHEN: Is this for the re-convert to Liberalism from the county of Muskoka? My information is that he is to be furnished with a job himself so as to solve the difficulties of the party in that riding. Am I wrongly informed? I think I could make a prediction that that will be done.

Sir HENRY DRAYTON: Is there any vacancy?

Mr. MEIGHEN: That is not necessary.

Item agreed to.

Lake Erie—warehouse for Department of Agriculture, $60,000.

Mr. GARDINER: What is this warehouse for?

Mr. COPP: This has been requested by the Department of Agriculture for the construction of a warehouse for the storage of onions at some point on lake Erie.

Mr. SPEAKMAN: For the onions that are coming in from Australia?

Mr. MOTHERWELL: I think it will be at Leamington, on lake Erie. There is an enormous quantity of onions and other vegetables grown around there.

Mr. SPENCER: Is this for the storage of onions only? Are any other vegetables to be stored there?

Mr. COPP: There may be, but it is chiefly for onions.

Mr. SPENCER: Is this an entirely new item or was there a building there before?

Mr. COPP: It is a new building entirely.

Mr. BRETHEN: We did not hear the minister's explanation.

Mr. COPP: This has been requested by the Department of Agriculture for the construction of a warehouse for agricultural products on Lake Erie. It will probably be located at Leamington, but the exact location has not yet been determined upon.

Mr. GARDINER: Will it be a frost-proof warehouse?

Mr. COPP: Over half a million bushels of onions are grown each year in western Ontario, but on account of the lack of suitable storage accommodation the whole crop is put on the market at the same time, with the result that the price goes down, and the producer does not get the returns he would were proper storage facilities available.

Mr. SPENCER: Will this amount complete the building?

Mr. COPP: That is the intention.

Mr. SPENCER: Will the revenue from the storage pay fixed charges and other expenses?

Mr. COPP: I do not know.

Mr. HARRIS: I am not content with the answer of the minister. Do I understand that he does not know?

Mr. COPP: There will be storage charges, of course, and it is expected that they will about meet the carrying charges.

Mr. HARRIS: Surely the minister has some idea of the revenue. You are not going into this blindly, I hope. What is the estimated revenue?

Mr. COPP: We cannot tell definitely how many onions will be stored there, but it is estimated that the storage charges will about meet the carrying charges.

Sir HENRY DRAYTON: What would they be?

Mr. MEIGHEN: The Minister of Agriculture does not know where it is going to go yet. All we know is that the seat is considered dangerous.

Item agreed to.

Ottawa—Parliament Hill—paving roadways and sidewalks, $25,000.

Mr. SPENCER: What is this for?

Mr. COPP: This is for paving the roadways and improving the sidewalks around the parliament buildings. Nine thousand square yards of asphalt roadway will be laid, and 12,000 square feet of sidewalks at an estimated cost of $25,000.

Mr. SPEAKMAN: Where does the department intend to get the asphalt? This is not as foolish a question as it might sound, because I heard from some of the men working outside that they were intending to try some experiments with Alberta asphalt, and I was just wondering whether that is a fact.

Mr. COPP: I am informed that is correct. The experiment with Alberta asphalt will be made on the driveway at the rear of the building.

Item agreed to.

Stouffeville—public building, $20,000.

Mr. MEIGHEN: What county is this in?

Mr. COPP: York county.

Sir HENRY DRAYTON: North York?

Mr. STEWART (Argenteuil): West York.

Sir HENRY DRAYTON: There is nothing for West York.

Mr. COPP: This amount is required for the purchase of a site and the erection of a building for postal purposes at Stouffeville in North York.

Sir HENRY DRAYTON: What is the postal business done at Stouffeville?

Mr. COPP: The revenue from the office for the last five years is as follows:

1918	$4,893 74
1920	5,262 51
1921	4,789 27
1922	4,657 88
1923	4,873 24

Mr. MEIGHEN: It will take five years revenue to pay for this building.

Sir HENRY DRAYTON: Does this promise date back to the 1921 election?

Mr. SPEAKMAN: Will this complete the building, or is it only a preliminary expenditure?

Mr. COPP: It will very largely complete the building.

Mr. SPEAKMAN: What is the total estimated cost?

Mr. COPP: The plans have not been fully prepared until we get the vote through and call for tenders.

Mr. GARDINER: What provision is there at the present time for this office?

Mr. COPP: The report of the post office inspector says that the office is located in a substantial two-storey building, which is in good repair. The area of the post office proper is 14 by 32 feet, making a total of approximately 450 square feet, which is equally divided between the public lobby and the working space of the office. There are three rural mail routes being served by this office.

Mr. BRETHEN: What rent are you paying at the present time for this office?

Mr. COPP: Fifteen dollars per month.

Mr. HARRIS: And this $20,000 building is going to take the place of a service that you are getting for $15 a month?

Mr. COPP: The present building is very inadequate.

Mr. GARDINER: I would like the minister to explain why the present office is not large enough for the service. It seems a wast of money to spend $20,000 on a building when we can rent an office for $15 a month.

Mr. COPP: The present accommodation is entirely inadequate. There are three rural mail routes being distributed from this office, and the building is only 14 x 32 feet, a very narrow building. I have already given the revenue, which is quite substantial. While Stouffeville is not a large place, it is quite a centre. It has one hotel, public and high schools, two banks, five automobile repair shops, furniture and carriage factories and there are many market gardens around there shipping a considerable quantity of vegetables to Toronto and other places. The village has a public library and community hall.

Sir HENRY DRAYTON: They have had that rural mail service for a long time

Mr. GARDINER: While I appreciate that it is advisable to give the best postal service within our means, it is simply ridiculous in my judgment to spend this amount of money when we have a building there now that is sufficient for all practical purposes.

Mr. COPP: We do not have. That is the trouble.

[Mr. Copp.]

Mr. GARDINER: Many offices out west doing a larger business than that are given by the minister a matter of $4,000 or $5,000 per annum, where they have one-half the accommodation this building has. Let us have a little common sense in expenditures of this description. It is ridiculous to spend this amount of money on a building of this kind.

Mr. HARRIS: Is this in the riding of North York?

Mr. COPP: Yes.

Mr. HARRIS: Why is this building being built? It adjoins very closely the riding which I have the honour to represent. North York is getting a little less "Gritty" all the time, perhaps through the influence of East York which is right beside it. In order to continue to maintain a little more "Grit" in the surrounding community, $20,000 is going to be put into a little hamlet known as Stouffeville.

Item agreed to.

Toronto—In full and final settlement of claim of R. J. Fleming for loss sustained by destruction of Dupont street garage by fire on March 23, 1922, while occupied by the government under lease, $35,000.

Mr. GARDINER: What is this item and was there any insurance on this building?

Mr. COPP: This building at the time of the fire was occupied by the Department of Soldiers' Civil Re-establishment under lease for garage purposes, but during the occupancy of the lease the Department of Soldiers' Civil Re-establishment, instead of using the whole premises as a garage, partitioned off a portion of the premises and used it as a wood-working factory known as a vetcraft branch of the department. Mr. Fleming claims that this action was contrary to the terms of the lease and that by so doing the hazard from fire was greatly increased, the latter contention being borne out by a judgment of the Supreme Court of Ontario delivered on the 1st March, 1924, in which the plaintiff was refused the right to collect the insurance money amounting to $20,000. The building was insured, but when the fire occurred, the insurance company refused to pay the insurance because the building was being used for more hazardous purposes. Mr. Fleming brought action against them in the supreme court; he failed in his action because the department had used the building contrary to the terms of the lease and he lost his building entirely. As it was under lease to the department, they are remunerating him for his loss.

Mr. GARDINER: How was the value of $35,000 arrived at?

Mr. COPP: Mr. Fleming's original claim was for $59,421. It has been cut down to $35,000 and it is being settled on that basis.

Mr. GARDINER: How much was the building insured for in the first place?

Mr. COPP: $20,000.

Mr. GARDINER: Was that supposed to be about 70 per cent of its actual value?

Mr. COPP: About one-half, I understand.

Item agreed to.

Wiarton—public building, $15,000.

Mr. SPEAKMAN: Is this another post office?

Mr. COPP: Yes. We have a site there that was purchased some years ago. We are erecting a small building there.

Mr. SPEAKMAN: The minister, I am sure, will forgive me if I presume on his good nature which is so proverbial in this House. I should like him to give me a little assistance. What is the recipe that is necessary for getting public buildings and other public works? The method has always been a mystery to me. I may say that I have not tried very often. I have made some very modest requests never exceeding a few hundred dollars, but apparently there is a means utterly unknown to me, because invariably I have been unsuccessful and always on the ground that, although the work was very necessary, the financial condition of the country would not permit.

Mr. COPP: I have not had very great success myself and I have been here much longer than my hon. friend has. I have a little more experience. If he will co-operate with me more closely in the next session of parliament, I will give him whatever assistance I can.

Mr. SPEAKMAN: Will he give me assurance of some public buildings?

Mr. COPP: I will give him whatever assistance I can.

Mr. BROWN: I am afraid we have not been pushing the claims of our constituencies as hard as we should have done. Now that the government has entered upon a policy of constructing these public buildings, I can call to mind many places where, I think, we could have a nice public building which we could use very conveniently. We have been putting up with post offices in very unsatisfactory buildings because we did not like to make demands upon the government for accommodation in these hard times. But now we see these small places, as an hon. member says, such as Stouffeville and Wiarton, getting these buildings, we shall have to begin to make more applications for them, and I warn the minister that applications will be forthcoming.

Mr. COPP: Start in early next session.

Mr. BRETHEN: What kind of public building is this one at Wiarton?

Mr. COPP: It is an ordinary building, post office and customs.

Mr. BRETHEN: Has the minister any details of that?

Mr. COPP: Wiarton is an incorporated town in Bruce county, Ontario, at the head of Colpoy's bay, an inlet with fine harbour of Georgian bay and a terminal station on the Grand Trunk railways, ten miles from Park Head Junction, and twenty miles from Owen Sound. It has five churches of the various denominations, forty-two stores, five hotels, one woollen, one grist, one shingle and four large lumber mills, one government fish hatchery, three furniture and one beet sugar, one cider, one cement and two wood planing factories, two chartered banks, two newspaper offices, besides telephone, telegram and express office.

Mr. BRETHEN: How are they getting along now in the building that is being used, and what is the cost?

Mr. COPP: I have not the information. It is a rented building.

Mr. BRETHEN: Has the minister the information as to the revenue?

Mr. COPP: The postal revenue in 1923-24 was $8,984.18.

Mr. SPENCER: What is the amount paid for the building?

Mr. COPP: I have not the information.

Mr. GARDINER: Will the minister explain the difference between that item and the one we discussed a few minutes ago. Here is a post office and building which costs $15,000. The income is about $8,000 or $9,000 per annum. The building proposed to be erected at Stouffeville is going to cost $20,000.

Mr. COPP: We have the land already purchased for the building so that no part of the money will be used for paying for the land.

Mr. GARDINER: Is land expensive at Stouffeville.

Mr. HARRIS: Twenty dollars a foot.

Mr. GARDINER: How much land is required for the post office?

Item agreed to.

Winnipeg—Fort Osborne barracks—stables, $50,000.

Mr. SPEAKMAN: Is this a new stable to be built at the barracks in Winnipeg?

Mr. COPP: The stables were burned and this is to replace them.

Mr. SPEAKMAN: How many horses are kept there?

Mr. POWER: Two bronchos.

Mr. SPEAKMAN: I know that western bronchos are deserving of a good stable, but few people can afford a $50,000 building.

Mr. COPP: This item is transmitted to us from the Department of National Defence, and it is to replace the stables that were burned. The stables at Fort Osborne were originally built as cattle sheds in connection with the permanent agricultural college at Tuxedo. The design is most unsatisfactory from the point of view of stable management; it does not lend itself in any way to the proper training of either the permament or non-permanent units in the duties of stable management, and the buildings are so old and dilapidated that funds would be wasted should an attempt be made to put these buildings in first class condition. The amount of $50,000, now asked, is for the construction of one unit of new stables, the total cost of which would ultimately be approximately $250,000.

Mr. SPENCER: Was insurance carried on the old building?

Mr. COPP: No.

Mr. SPEAKMAN: Is there any record of the number of horses ordinarily kept there?

Mr. POWER: Two squad of cavalry.

Mr. SPENCER: Is it the policy of the government not to insure any of its buildings?

Mr. COPP: That is the policy.

Mr. SPENCER: Why is that?

Mr. COPP: It is cheaper to carry our own insurance than to pay insurance rates on public buildings.

Mr. SPEAKMAN: How many units of stabling will be constructed when the final plans are completed?

[Mr. Copp.]

Mr. COPP: This is just to meet the requirements as they arise.

Item agreed to.

Winnipeg—Fort Osborne barracks—purchase and alterations of Red Cross hut, $12,000.

Mr. GARDINER: What responsibility has the government to provide for the Red Cross hut? Is this matter under control of the government?

Mr. COPP: It is being used for militia purposes as a part of the Tuxedo barracks and has been taken over by the department. The hut will cost $10,000 and the alterations to the hut, $2,000. It is rented by the Department of National Defence.

Item agreed to.

Winnipeg—government's share of cost of high pressure fire protection service, $19,101.61.

Mr. ROSS (Kingston): Who has charge of this? Is it a city plant?

Mr. COPP: This amount of $19,000 is to provide for the payment of the government's share of the cost of maintaining the high pressure fire protection service in the city of Winnipeg.

Mr. ROSS (Kingston): It is a city plant?

Mr. COPP: Yes.

Item agreed to.

Edmonton—public building, addition to site, $30,000.

Mr. GARDINER: Will you explain where this site is situated?

Mr. COPP: This is a property adjoining the present post office, and this amount is required for the purchase of land to enlarge the post office building.

Mr. GARLAND (Bow River): Is it in east or west Edmonton?

Mr. COPP: East Edmonton.

Mr. GARLAND (Bow River): Is there a building on the property or is it vacant?

Mr. STEWART (Argenteuil): There is a small building on it used as a real estate office.

Mr. GARDINER: What are they going to do with that hole in the ground in Calgary supposed to be a post office site?

Mr. COPP: It is not the intention to build there at the present time. I have no memorandum before me, and I do not know what they are going to do with that hole.

Mr. GARDINER: That hole has been there a long time, and I understand the old building was taken down, and they are moving the stones from one place to another, to give people work. Is anything going to be done to fill up that hole or do anything with it?

Mr. COPP: I am informed it is not the intention to build there in the near future.

Mr. GARDINER: The minister has not the information as to the revenue from the Calgary post office?

Mr. COPP: No.

Mr. GARDINER: When you are spending $20,000 and only receive $4,000 revenue, do you not think it is time you gave those cities producing real revenue a real building?

Mr. STEWART (Argenteuil): I can give some information about the post office site in Calgary. I have gone into it on various occasions with the Department of Public Works. To put up the kind of building that would be suitable for the Calgary post office and customs house would run very close to a million dollars. The building is leased at a moderate rental and we have the promise of the Public Works department that as soon as financial conditions will permit a new building will be started on the site of the old post office.

Item agreed to.

British Columbia—Esquimalt—to replace buildings and equipment destroyed by fire, $120,000.

Mr. SPENCER: A number of buildings have been destroyed by fire and perhaps the minister could tell us what loss the government has sustained in this way during the past year.

Mr. COPP: I am sorry I have not that information offhand.

Item agreed to.

Vancouver—to acquire the Winch building, adjoining present post office, at a price of $700,000, by assuming a mortgage of $400,000 and transferring in settlement of balance the old post office property, corner Pender and Granville streets, at a price of $300,000. Amount required to meet one year's interest at five per cent on above mortgage; also cost of alterations to building, $35,000.

Sir HENRY DRAYTON: Why are we making a commitment in this connection and getting rid of the old property?

Mr. COPP: It is important that the present quarters be enlarged and after careful investigation it has been decided to acquire this building.

Mr. McBRIDE: I know this building very well and I can say that it is a first-class structure. The other building, the old post office, was built thirty-three years ago and is out of date. It is situated at the corner of Pender and Granville streets.

Sir HENRY DRAYTON: Do you certify to it?

Mr. McBRIDE: I am stating what is correct.

Sir HENRY DRAYTON: Well, we may pass the item.

Item agreed to.

Experimental farms—new buildings, $50,000.

Mr. GARDINER: Where are these farms located?

Mr. COPP: These expenditures are required for work at Charlottetown, Fredericton, Nappan, Lethbridge and various other places and they come to a total of $45,000.

Mr. GARDINER: Mr. Chairman, I think we are going experimental farm crazy. We have so many experimental farms that we do not know how to make use of them to the best advantage. I would suggest to the minister that a lot of these extensions should be curtailed as far as possible. We are not getting very much out of these farms, simply because of the fact that only to a very limited extent does the information reach the people interested. If we continue spending our money on more buildings, where are we going to end? I suggested to the Minister of Agriculture (Mr. Motherwell) on a previous occasion that it would be better to put some of this money in substations where the people could see what was being done by way of experiment, but it seems we are going to continue the policy of spending a lot of money and getting very little in return. I protest against it.

Mr. GARLAND (Bow River): What are the specifications of the poultry house that is to cost $4,500?

Mr. COPP: I have not the specifications. The cost is only $1,500.

Item agreed to.

Public Works—chargeable to income—harbours and rivers—Nova Scotia, $358,300.

Sir HENRY DRAYTON: Does my hon. friend really think he should go on with Nova Scotia? I am always content to take a night at any job, but two nights hand running is too much. I was quite willing to stay all

night to finish, but if we cannot finish I do not see the use of continuing any longer with these estimates.

Mr. COPP: If we finish these to-night there will be only a few left for to-morrow morning and we can get through early.

Mr. BROWN: Mr. Chairman, I think we had better quit to-night and take another day to finish.

Mr. GARLAND (Bow River): Mr. Chairman, in view of the news that may come out in the morning paper, I think it might be just as well to get the sad work of Nova Scotia over to-night.

Mr. SPEAKMAN: Have there been any violent storms lately, or what has happened that there should be so many supplementary items for wharf repairs and renewals in Nova Scotia?

Mr. GRAHAM: These wharves will be needed after to-day.

Mr. SPEAKMAN: I appreciate that. But what has happened since we put through the main estimates? I certainly thought we put through a very generous list, and we raised no great exception to them. What exigencies have arisen since then to necessitate another list of this length? Again I protest against bringing in at the last moment a lot of supplementary items which might just as well have been included in the main estimates.

Mr. COPP: If my hon. friend will reflect for a moment he will realize that the engineers of the Public Works department are carrying on their work all the time, and as their reports come in they are included in the main estimates, or if too late for these, they are embodied in the supplementaries.

Mr. GRAHAM: Suppose we put Nova Scotia through and adjourn?

Mr. SPEAKMAN: I quite appreciate what the minister says, but in many of these cases the extensions are not of such importance that they can not be left over until next year.

The CHAIRMAN: It has been suggested that we pass the Nova Scotia list and report progress.

Mr. SHAW: About thirty years ago the late Sir Richard Cartwright, while looking at the list of votes for Nova Scotia, asked the question, "Is there a cove forgotten?" I would repeat the question to the minister.

Item agreed to.

Progress reported.

[Sir Henry Drayton.]

CALGARY AND FERNIE RAILWAY ACT

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate doth agree to the amendment made by the House of Commons to Bill No. 184 respecting the Calgary and Fernie Railway Company without any amendment.

PENSION ACT AMENDMENT

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate that the Senate doth insist upon their seventeenth amendment made to Bill No. 70 to amend the Pension Act, to which the House of Commons hath disagreed, for the following reasons, that it is not advisable to further extend the ground for relief; but doth not insist upon their third, fourteenth and sixteenth amendments, to which the House of Commons hath disagreed.

HOME BANK DEPOSITORS

Right Hon. GEORGE P. GRAHAM (Minister of Railways): Mr. Speaker, before the House rises allow me to read a report of the conference between the managers appointed by the Senate and by this House respectively in reference to the differences on the Home Bank legislation:

Your managers beg to report that they duly held the conference with the managers apointed by the Senate with respect to the amendments made by the Senate to Bill 182, an act for the relief of the depositors of the Home Bank of Canada, and that the managers for the Senate have agreed to recommend that the Senate do not insist upon their seventh amendment, namely, the preamble, to which the Commons have disagreed, and

That their fifth amendment be amended by inserting after the words "special need", in the fifth line of paragraph 1 of clause A of the said amendment, the words "or in straitened circumstances".

On motion of Mr. Graham, the House adjourned at 2.25 a.m. (Friday).

Friday, June 26, 1925.

The House met at eleven o'clock.

PRIVATE BILL—REMISSION OF FEES

Mr. W. F. KAY (Missisquoi, for Mr. McMaster) moved:

That as it appears by the minutes of the proceedings of the Senate of June 25, that that House has decided not to proceed further at the present session with Bill No. 11, an act to incorporate Dominion Chartered Customs House Brokers' Association, the fee and charges paid on the said bill, under rule 89 of this House, be refunded, less the cost of printing and translation.

Carried on division.

MINERS AND STEEL WORKERS

On the Orders of the Day:

Mr. J. S. WOODSWORTH (Centre Winnipeg): Mr. Speaker, can the government give us any information as to the situation in Nova Scotia?

Right Hon. W. L. MACKENZIE KING (Prime Minister): What situation does my hon. friend refer to?

Mr. WOODSWORTH: I am particularly interested of course in the situation with regard to the miners.

Mr. MACKENZIE KING: The government has no further information on the matter.

PEIGAN INDIAN BAND

On the Orders of the Day:

Mr. G. G. COOTE (Macleod): Mr. Speaker, a couple of weeks ago I presented to this House a petition from the Peigan Indian band, and the Superintendent General of Indian Affairs (Mr. Stewart, Argenteuil) assured me that if I allowed the matter to stand he would give me an opportunity to discuss it under the Indian estimates which he would bring forward sometime in the afternoon. I understood from him that these estimates would be dealt with yesterday, but as they were not, may I ask if the government will bring these particular estimates forward at a convenient hour to-day

Right Hon. W. L. MACKENZIE KING (Prime Minister): It is a little difficult to arrange to-day's programme, but I can assure my hon. friend that the Indian estimates will be brought along to-day. I think the Minister of the Interior (Mr. Stewart) has in mind the wishes of my hon. friend, because he intimated to me yesterday that he expected to go on with the estimates this afternoon. I cannot say definitely at what stage of the day's proceedings they will be reached.

THE NEXT GENERAL ELECTION

On the Orders of the Day:

Mr. WILLIAM IRVINE (East Calgary): Mr. Speaker, I rise to ask a question which I am sure will be of great interest to every citizen, and no doubt of some interest to the members of this House. Will the Prime Minister state when the next general election will take place; will it be before the next session or afterwards?

Mr. MACKENZIE KING: I would say to my hon. friend that at the most, there will not be more than one session following this.

RAILWAY CONSOLIDATION

SENATE REPORT

On the Orders of the Day:

Mr. W. F. MACLEAN (South York): Mr. Speaker, I rise to ask whether the members of this House will be put in possession of a printed copy of the report made by the Senate committee in regard to the consolidation of the railway systems of this country.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I cannot say whether the report is printed or not. The Senate arranges the printing of its own reports. I have no doubt, however, that the Senate will be desirous of having the report printed, and I should think copies will be available.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, with relation to that point, I observe that the Senate committee which is supposed to be making this report—the origin of which would be very interesting—met in secret. I would suggest that the government see to it that if there is any report the evidence in support of it—

Mr. SPEAKER: I would remind the right hon. gentleman that rule 19 precludes any reference to the Senate.

Mr. MEIGHEN: I do not think rule 19 forbids reference to the Senate, but to what takes place there. I am not referring to anything that has taken place in the chamber. If a report is to be published, I would think that the evidence in support of it should be published too. I hope my words will reach the Senate.

Mr. MACLEAN (York): We are told that the Senate committee met in camera.

INQUIRY FOR RETURN

OCEAN RATES COMMITTEE—EXPENSES

On the Orders of the Day:

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, on the orders of the day some few days ago I called attention to the fact that sessional paper 258, being an alleged return to an order of the House for a statement of the expenses of the special committee on Ocean Rates, with details, gave repeated answers, "No information", on a subject with respect to which the government has the fullest information—in fact, the government makes the payments itself. I spoke again yesterday on it and stated I would certainly expect the return to be completed to-day, if this is to be the last day of the session. Also I would ask the government

now, while this matter is being referred to, if it will undertake to have answered, before the session closes, the question which stands in my name now as No. 2 on the order paper. I have drawn attention to this on two occasions also.

Right Hon. W. L. MACKENZIE KING (Prime Minister): With respect to the return, I am informed that up to the present time the government has not received from the counsel his bill of costs, which, as my hon. friend knows, is taxed by the Justice department. There is nothing in the department; therefore we are not in a position to answer the question.

Mr. MEIGHEN: I do not see that the counsel can relieve the government by withholding his bill. The committee completed its work long ago. We know what he was being paid per day. The government can get the number of days and simply state, in answer to the first part of the question, that Mr. Symington was occupied so many days at that much, plus expenses; and the other part of the question can be fully answered. With that I will be satisfied.

Mr. LAPOINTE: Only a little multiplication is required, which my right hon. friend can do for himself.

Mr. MEIGHEN: I am quite ready to do that if the rest is answered. If the government will give the amount per day, I can do the multiplying myself. May I not get an answer as to whether or not this question is going to be answered this session? Five minutes' calculation will put that answer in shape, and I have a right to the answer on the authority of the government.

Mr. LAPOINTE: Which rule compels the government to answer all questions asked by my right hon. friend or anybody else when they have the information and can do the work themselves?

Mr. MEIGHEN: If the government will say it will not answer that question, all very well; let the government say so—

Mr. LAPOINTE: No.

Mr. MEIGHEN: —and not hide behind mere delay by way of evasion.

Mr. LAPOINTE: That is childish. We have other work to do just now.

GOVERNMENT PURCHASE OF MOTOR CARS

Mr. T. E. SIMPSON (West Algoma): On March 9 an order of the House was passed for a return in respect to motor cars purchased by the government. The order was enlarged later on, and a return was placed on the table a couple of days ago giving information with respect only to the Department of National Defence. That surely does not comply with the order of the House. I would ask the Prime Minister if I may expect the balance of the return before the close of the session.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Information had to come from several of the departments to make up the return. I will inquire of the Secretary of State and see if my hon. friend's wish cannot be met.

Mr. GRAHAM: Maybe the confusion has arisen over the fact that until a couple of years ago all the cars were under the Department of National Defence and were looked after by them.

CADET TRAINING

Mr. J. S. WOODSWORTH (Centre Winnipeg): The Minister of National Defence promised me some information as called for by an order of the House of June 4. I should like, if possible, to get that information before the close of the session.

Mr. GRAHAM: He is not particularly active this morning.

CANADA GRAIN ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. T. A. LOW (Minister of Trade and Commerce) moved the second reading and concurrence in amendments made by the Senate to Bill No. 113, respecting Grain.

Mr. C. WALLACE STEWART (Humboldt): Mr. Speaker, I desire to enter a protest against the concurrence of this House particularly in one of the amendments made by the Senate to the bill as it was approved of in this chamber. I refer to the amendment made to section 140.

It is not necessary for me, Mr. Speaker, to emphasize the fact that throughout western Canada, where the great bulk of our wheat is produced, the opinion is prevalent that the process of mixing, which is a process adopted by those who market the grain, and not by the producers, is detrimental to the best interests of the producer in that his grain thus mixed reaches the final market in a condition not as pure, and with a grade not as high, as that which it has when it leaves the farm. When the bill was before this House I moved an amendment to section 140 which required that grain coming out of the mixing elevators

should be judged on a standard equal to that in Winnipeg, not on the lowest of the standards that is passed in Winnipeg, but on the average of that standard. That amendment was approved by this House, but the upper body, in its wisdom, has seen fit to reject that amendment that this House approved of, and to insert in its place a section which does not require that the grain coming out of the mixing elevator shall be of a grade equal to the average grade of the grain passing inspection at Winnipeg.

It is my opinion, Sir, that if the grain as it comes from the mixing elevator were required to be of a standard equal to the average of the standard on which the farmer's grain is inspected, at least the greater part of the objection to mixing would be done away with. I am informed by those who are well acquainted with this process of mixing that to require the mixing elevators to reach such a standard would practically do away with their business; the profit would be gone, and consequently mixing to a great extent would be stopped. If that would be the result, then, Sir, I would be willing to take the result of my amendment and I submit to this House that the producers of Canada would be behind us in that stand. If the profit is secured by bringing the grade lower than the average of the grade the farmer secures, the mixing elevators are taking an undue profit out of us and damaging our product before it reaches the final market.

It is said that my amendment is impracticable, that it could not be worked. Well, Sir, if that is true I submit this, that it is a good way to prohibit something that should not be carried on. It is a fact that there are every year a number of bushels of low grade grain produced, and a very considerable quantity in some years. I am of the opinion that the privilege to mix this grain is a special privilege granted to companies operating elevators with a license to engage in this process, as a system by which this low grade grain is absorbed into the market with perhaps greater facility; but if in absorbing the lower grades of grain we are to seriously deteriorate the higher grades of our grain and lower its value in the ultimate market—the Liverpool market—I submit we are doing something that is wholly contrary to the best interests of the producers. All that the amendment that was made in this House called for was that the product from the mixing elevator should be equal to the average of the grade which the farmer secures for his product from the farm. We are granting not only a special privilege in mixing, but if we approve, as the government now moves to approve, of the amendment made by the upper chamber, we are also granting a special privilege to the mixing elevator enabling them to ship out a product which is lower in grade than the average which the producer himself receives.

In making this protest, Mr. Speaker, I speak for at least the majority of those sitting around me, and I believe a very considerable majority, and we want our protest on record because we represent in this House first of all the producers of this country.

Motion agreed to on division; amendments read the second time and concurred in.

DOMINION ELECTIONS ACT AMENDMENT

The House resumed from June 25th consideration in committee of Bill No. 148, to amend the Dominion Elections Act—Mr. Copp—Mr. Gordon in the chair.

On section 5—Use of provincial voters' list.

Mr. EULER: I would like to make sure as to the meaning of the words "provincial lists" in this section. Under the law as it stands, all elections for the Dominion House—I am referring now to the province of Ontario—would be held under lists used in provincial elections unless they were more than two years old. For example, should an election be held this fall we could not use the provincial lists used in the last provincial election and some other provision would have to be made. I understand that a list would be prepared from another list which would be used with or without revision at a provincial election commenced at the same time as the election under this act. That is, under conditions such as would prevail if we had an election this fall, with no old provincial lists available because they are more than two years old, we would then, I understand, have to take as a basis a list which would be used by the provincial government for the purpose of making a new list. If that is the case then I assume we would have to fall back upon what I would term the municipal lists, that is, lists prepared by the municipal officers as a basis for making a new list. In line 2 of subsection (a) it says: "Every urban registrar shall transfer from such provincial lists," and so on. Ordinarily I think the layman would call that a municipal list, and what I am concerned about is whether when we speak here of "provincial list" it does refer to the list that is prepared by the municipal officers, so that it may be definitely understood that in case of an election this fall or before a pro-

vincial election is held, our election list in Ontario will have as its basis the lists prepared by the municipal officers.

Mr. COPP: I put that question to the Chief Electoral Officer and he informs me that the term "provincial lists" refers to the lists made up according to the laws of the province for use in connection with the provincial elections. Provincial list does not necessarily mean a list made up by the province. It is made up by the municipalities and the list made up in that way would be the one used for provincial elections.

Mr. EULER: It is based on the municipal list?

Mr. COPP: Yes. I wish to move the following amendment:

That section 5 of the bill be amended by adding thereto as subsection 3 the following:

"If any question arises as to whether any list, or which of two or more lists, prepared under the laws of a province, should be used pursuant to such laws at a provincial election commenced at the same time as the election under this act, the Chief Electoral Officer may direct the use under this section of such list as should in his opinion be used, and such list shall be used accordingly."

Mr. EULER: If a list is found unsuitable will the Chief Electoral Officer have authority to change the whole basis, that is, make a change in the lists as used generally, or only in regard to the municipality in which the disability exists?

Mr. COPP: Just in relation to the municipality where the disability exists.

Section agreed to.

Bill reported.

Mr. COPP moved the third reading of the bill.

Mr. WILLIAM IRVINE (East Calgary): Mr. Speaker, I have on previous occasions, presented to the House as clearly and forcefully as I could the discrimination which subsection 1 of section 10 of the Dominion Elections Act imposes on organized labour. I have shown that owing to the nature of the trades union organization it is impractical for every trade union of every city to become incorporated for political purposes as is required by the act. In addition to the difficulty presented by the nature of the organization itself, I have shown that the constitution of the international trades union movement is an added barrier to the compliance of unions with clause 10 of the act. I introduced a bill early in the session to repeal the section in question. The government defeated that bill on the ground that to repeal the section would open the door to corruption, a viewpoint which, if warranted by facts, is a damning indictment both of the wealthy people and of the common people of the country. The implications of this view are that certain wealthy people are both capable and desirous of corrupting the electorate, and also that the masses of the people are corruptible, and that both require the grandmotherly supervision of a statutory declaration. I use the term "statutory declaration" advisedly, for not only do I dissent from the view that our wealthy people who subscribe to election funds do so for the purpose of corruption, and that the average man is corruptible by such funds, but I hold the view that it would be, comparatively speaking, an easy matter for wealthy corporations to contribute through individuals for election funds notwithstanding the fact that such is prohibited by section 10 of the Act. Indeed I would not be surprised if in the next election a very great deal of the election funds for all parties should come from corporations—all parties, of course, with the exception of the Labour party. I have not much hope of the Labour party securing very heavy donations from the industrial controllers of this country or from the financial institutions. In any event, clause 10 of the Dominion Elections Act is only an impious statutory declaration. I believe it is violated by all concerned in every election, yet not a single prosecution has ever been instituted under its provisions. I submit to the House that to retain a section in an act which cannot be enforced—no; worse than that, which invites its own violation—is to bring law itself into disrepute. In fact, a law which people regard as one to be got around is more detrimental by far to parliamentary dignity than a shirt-sleeves statesman to the presence of whom objection has been taken.

Now, Mr. Speaker, my colleague and I, believing that every individual or group of individuals, rich or poor, should be free to contribute funds for political purposes, providing that such funds be expended in legitimate channels or within the provisions of the act in this regard, accordingly made an attempt to repeal this legislation. But the government prevented us. Then we tried to amend the offending section by moving an amendment which would exempt labour unions. Having been defeated in our attempt to exempt all classes from the prohibition of the clause referred to, we took a course which would exempt labour alone, not however in any sense desiring class advantage but because labour unions are put to a greater disadvantage in violating the provision than any other class. But in this too we were defeated in com-

mittee of the whole. I now make a last effort to remove from the Dominion Elections Act, the discrimination against labour unions. But before moving an amendment to the bill before the House I desire to call the attention of organized labour throughout the country to the fact that the right hon. the leader of the opposition (Mr. Meighen) and those around him have expressed their willingness to repeal clause 10 or, failing that, to support the amendment which I moved in committee. The leader of the Progressive party (Mr. Forke) and his followers have expressed themselves also in a fashion similar to that of the opposition. For some strange reason not yet given to parliament the government and their supporters doggedly refuse to add one phrase to a single clause of a single act which would remove an injustice to which labour is subjected.

Why is this? Is it because the government desires to hamper the political activities of labour men? One would be justified under the circumstances in that conclusion. But this petty oppression, in addition to being far from harmonizing with the theoretical principles of Liberalism, will not drive labour from the political field, although it will be a very considerable inconvenience. Perhaps the reason for the government's opposition to this amendment is that it was moved by the labour representatives in this House. I am loath to attribute to the government of Canada an attitude of mind as cantankerous and unfair as that. However, the fate of the amendment which I am about to move is in the hands of the government. I make an earnest appeal to the common sense, the fairness and the generosity of the administration to support it. But if the government persists in its bovine obstinacy it must be lacking in these qualities to which I have appealed.

Mr. MACKENZIE KING: Does my hon. friend think that an expression like "bovine obstinacy" is calculated to induce the government to change its point of view?

Mr. IRVINE: I have merely described as best I can the attitude so far shown by the government.

Mr. MACKENZIE KING: The government is always prepared to meet hon. gentlemen opposite but will absolutely refuse to consider anything brought forward in a spirit such as characterizes this amendment.

Mr. IRVINE: If an expression of that description, however objectionable it may be to the administration, is sufficient to stand between the government and the performance of its duty, then I shall have to describe the government's attitude further and more accurately. I was not using the expression in any objectionable sense but if the government objects to it I shall be glad to withdraw it. The amendment I am about to move—

An hon. MEMBER: Too late.

Mr. IRVINE: Yes, I presume it is too late. The second remark of the Prime Minister makes me despair of the administration paying the slightest attention to any appeal of labour; but I shall make that appeal nevertheless. There is no reason why a provision which is violated should not be removed, and the offending clause works more hardship on labour than on anybody else. If the government does not particularly want to stand in the way of labour, then I plead with hon. gentlemen opposite to remove the discrimination that now exists by adopting the amendment I move, seconded by the hon. member for Centre Winnipeg (Mr. Woodsworth):

That this bill be not read the third time, but that it be referred back to the committee of the whole with instructions to amend subsection (1) of section 10 of the Dominion Elections Act by inserting the words "or a labour union" after the word "alone" in the third line thereof.

Mr. L. J. LADNER (Vancouver South): During the previous discussion of this matter I was unavoidably absent and I wish to take up the time of the House for a moment now to support the amendment. There is no doubt that organized labour throughout the country is placed under a serious and unfair handicap by the existing law. It is said that the present law was formulated many years ago by the Liberal party with a view to certain advantages which political organizations in Ontario would obtain. May I suggest that from our everyday contact with the public life of the country it is palpably unfair and unreasonable to handicap such a body of men and women as organized labour in Canada by a law which can bring little actual tangible good while in its operation it is capable of doing considerable actual tangible harm to these people. I was somewhat surprised at the way in which the Prime Minister (Mr. Mackenzie King) received a certain remark made by the hon. member who has moved the amendment, and —I say this without the slightest intention of offending—I doubted the sincerity of the right hon. gentleman in his irritation over that remark. I do not think the Prime Minister will allow for one moment the words of any hon. member on any great measure affecting the masses of the people to interfere either with

the performance of his duty or with the carrying out of his good judgment in the interests of the country at large. I hope the government will reconsider the matter and that the present legislation, which has existed too long, be replaced by a far more sensible law in the interests of organized labour and of the people generally.

Mr. T. G. McBRIDE (Cariboo): I have taken this matter up with some labour men in Kamloops, and I may say that a certain percentage of them are opposed to it. They say that all labour men do not believe in sending labour members down here, some of the labour people belong to the Conservative and some to the Liberal party, and these men ask, why should they supply money to any candidate if they do not want to support him? Why should they be obliged to support financially anyone who is not of their persuasion? If the hon. member (Mr. Irvine) would move that the vote in the labour unions would have to be carried by a two-thirds majority I would support the motion; but I certainly cannot support it as it stands, in view of the instructions I have got from those I represent.

Mr. ANGUS McDONALD (Timiskaming): Will the hon. member for Cariboo (Mr. McBride) give the name of one labour organization that he knows of in Canada that believes in what he says right now?

Mr. McBRIDE: I did not state that I had discussed the question with the labour organizations, but I said that there was a number of gentlemen whom I knew belonged to the organization with whom I talked the matter over, and these men supported me and sent me down here, and it is their wishes I want to support.

Mr. JOS. T. SHAW (West Calgary): I have had an opportunity of observing the hardship which is imposed upon labour unions by virtue of the provisions of the act which is now in force. The hon. member for East Calgary (Mr. Irvine) on a former occasion sought to strike out the section, in order that it might operate to the equal advantage or disadvantage, as the case might be, of all classes of the community. In its judgment the House saw fit to reject that proposition. The hon. member for East Calgary now asks in his amendment that labour unions be exempted from the operation of this section. There is no doubt, Mr. Speaker, that the section as it now stands does operate to the especial disadvantage of labour. I think the House will be well advised to remove that discrimination against organized labour. There can be no question that the proposed amendment is in acordance with the views of organized labour in Canada, as the Trades and Labour Congress have made their position clear in this matter. Therefore, I would make an earnest appeal to the Prime Minister and the Secretary of State in connection with the proposed legislation, to alter the act in order that this discrimination may be removed. I know, and all members of the House know, that the Prime Minister is as deeply interested in the affairs of labour as any hon. member in this House, and I am sure, if he were convinced that labour was being discriminated against in this regard, that he, in common with the rest of us, would not hesitate for a single moment to act. I make this appeal to the gentleman who is responsible for the legislation, and to the Prime Minister, because I feel that in so doing we will be working to the best advantage of labour and giving it an opportunity for the fullest expression of opinion at the polls, an opportunity which perhaps may be otherwise denied. I am not prepared to agree with the remarks of the hon. member for East Calgary, in so far as he seeks to impute any motives to the government in connection with this matter. I do not want to be put in the position of imputing motives to anybody, and consequently in that spirit of fair play I ask the Prime Minister and the Secretary of State to give labour the benefit of this proposed amendment, and I am sure the result will be to the great advantage of labour and likewise will enure to the great advantage of the community in general.

Mr. J. S. WOODSWORTH (Centre Winnipeg): I think it is not necessary for me to add very much to what has been said in support of this amendment. We ask only for fair play for labour. I take it that the time has gone by when any hon. member of this House will deny to labour the right, if labour so chooses, to take political action through the formation of its own organizations. We are all familiar with the fact that all over the world to-day there are distinct labour parties. We are all familiar with the record of the labour party in Great Britain. I quite concede that Canada is not industrialized as Great Britain is, but a great many labour men in Canada have come from Great Britain, and they feel they ought to look to Great Britain for a lead along this line. It seems to me that the parliament of Canada would be well advised if they encouraged a movement of this character. Let me point out, as I did in committee, that when this matter was up recently in the British house, and an effort was made to get rid of legisla-

tion which gave an opportunity to Labour people to subscribe funds for election purposes, Mr. Baldwin made one of the most notable speeches of his career in appealing for labour, even against the measure as advanced by his own followers and insisted that labour should have every right to control its own funds.

With regard to a suggestion made by the hon. member for Cariboo (Mr. McBride), I urge that it would be very unwise indeed to attempt to say just in what manner labour unions should dispose of their funds. They have the right to dispose of their own funds, according to their own regulations. The great evil surrounding the contribution of funds lies in secrecy. In the case of labour unions, before any amount can be voted, the matter is brought before the whole membership in regular business session, and if they choose to support any particular candidate, whether it be the Labour candidate, or the Liberal or Conservative candidate, they are to be at liberty to make their decision.

I would point out also to the government that the Labour party throughout the country is beginning to revise its estimate as to how much it may obtain or hope to obtain through the present administration. We have come here pleading for provision for unemployment, for old age pensions, for the eight hour day, and for active interference in industrial disputes in such a way that the interests of the labour man may be safeguarded. We have had again and again for four years troubles in Nova Scotia, and this government absolutely refuses to take any effective action in regard to safeguarding the interests of the workers. Again we have to plead that the laws now on the statute book, placed there in 1919, which discriminated against labour by certain clauses in the Immigration Act and in the Criminal Code, should be removed. None of these things has been done. Now we come urging for one little amendment closely connected with the good government of the country. That is something that will facilitate labour in electing its own representatives.

As I said on a previous occasion, again and again when labour men strike or take some other form of industrial action, gentlemen in all parts of this country protest that labour ought to use parliamentary means, that labour ought to seek to present its case on the floor of the House of Commons or in the various provincial assemblies. Yet, when labour makes any effort whatever to assert its rights by the use of the parliamentary machine, it finds itself effectively blocked. We believe in that respect there is a distinct discrimination against labour, and we ask in all fairness that this particular clause should be removed.

Mr. A. W. NEILL (Comox-Alberni): The hon. member for East Calgary (Mr. Irvine), in introducing this resolution, has stressed the point that he has the support of organized labour. Last week, and again yesterday afternoon, I introduced an amendment to another clause of this bill which would have resulted in prohibiting orientals from voting in British Columbia. That amendment has the sanction of every organized labour body in British Columbia. It has the sanction of all unorganized labour in British Columbia and of a very large proportion of people who are not classified as labour or unorganized labour in that province. But I failed to get any support for that amendment on either of those occasions from the hon gentleman who now threatens us with what organized labour will do or think if we do not support his amendment. Moreover, when I brought in that amendment, I think it is within the knowledge of the House, I couched it in respectful language as respects the government and as anxious only to see it accepted. I did not challenge the government to reject it nor use offensive language in connection with it. Therefore, I think it would have been more appropriate if the hon. member for East Calgary had supported that amendment than for him to ask me to join him now in his wholesale condemnation of the government before he sees what the government are going to do. I would feel inclined to support this amendment if it is a thing that will benefit labour, for after all, why should I not do so? I have been a workingman all my life, and I am yet as far as that goes. I would be more willing to do it if I had some assurance that the money so collected from those labour unions would be used for the election of labour representatives in this House who would devote their time and energy to the initiation of really useful constructive legislation for the benefit of the working men and women of Canada, and not of representatives who indulge in the theoretical shadow-chasing and vague glittering generalities that we have listened to for the last four years.

Hon. A. B. COPP (Secretary of State): I want to assure the hon. member for East Calgary (Mr. Irvine) that he has come to wrong conclusions in regard to the attitude of the government in reference to not taking any interest in any matters that he or his colleagues bring before the House because of their small representation in this chamber. I

know I am voicing the sentiments of all my colleagues and, I believe, of practically every hon. member. Every hon. member has a number of labour organizations and labour men in his constituency, and I feel that these hon. gentlemen have just as much sympathy with labour as have the special representatives who are with us in this chamber to-day. I know, speaking for myself, if I were to err at all, I would rather err in giving consideration to matters suggested by them because of the very fact that they are not as largely represented as other occupations in this country. I think my hon. friend is entirely wrong
12 noon when he charges hon. members of this House with not being sympathetic to any matters that he may bring before this chamber because of the fact that the representation of labour is not large in this House. The main reason why I would beg for non-acceptance of the amendment moved by my hon. friend is this: This matter has been before the House previously on an amendment when the bill was in committee. It was thought by the majority of this House that the amendment at that time would not be acceptable. This bill was before a special committee on Privileges and Elections which gave consideration to it. The amendment was considered here in committee and a vote taken on it, and I believe the consensus of opinion in this chamber was that we should not relax in any way the securities we have in regard to contributions for political purposes. That is all we have in mind in regard to it. It may be that clause 10 would be much improved by this and other amendments, I am not going to discuss this at the present time; but the reason I take the stand of not accepting the amendment moved by my hon. friend is that the matter has been considered in two or three different ways during the present session, and I feel this is not the time to accept it.

Hon. HUGH GUTHRIE (South Wellington): I regret very much I was not present in the House when the amendment introduced by the hon. member for East Calgary (Mr. Irvine) was up for consideration. My inclination would have been to support the amendment and to strike out clause 10 or those particular words in clause 10 which restrict political subscriptions to associations or corporations expressly formed for the purpose. To my mind, clause 10 is about the most useless and innocuous clause in the Dominion Elections Act. There is in that clause some language which is also in the act. Those particular words:—"other than a company incorporated for political purposes"—were inserted in the act to protect a single political organization, the Ontario Liberal Association, which some twenty-five years ago was incorporated for political purposes. If hon. members will refer to Hansard of about twenty-five years ago and again to Hansard of, I think, the year 1907, to the speech of Sir Allen Aylesworth, then Minister of Justice of Canada, they will see that he specifically preserved the right of the Ontario Liberal Association as an association incorporated for political purposes. When the act was up for revision five years ago, we maintained the section, I think almost in its integrity, but in my humble judgment it has been a useless and innocuous section. There are at the present time in Canada many associations incorporated for political purposes. I think the Progressive party have an association in almost every riding in Ontario specifically incorporated under letters patent of that province to enable them to contribute funds to elections. I see not the slightest objection to granting the same privilege to labour organizations in Canada, and I believe they are entitled to have it if they want it. For my part, I am heartily in sympathy with the amendment.

The House divided on the amendment (Mr Irvine) which was negatived on the following division.

YEAS

Messieurs:

Anderson,	Kennedy (Glengarry and Stormont),
Arthurs,	Knox,
Bancroft,	Lovie,
Black (Yukon),	Lucas,
Bowen,	Maclean (York),
Brethen,	McDonald (Timiskaming),
Brown,	McKillop,
Campbell,	Maybee,
Chaplin,	Meighen,
Coote,	Millar,
Davies,	Milne,
Duncan,	Morrison,
Elliott (Waterloo),	Sales,
Evans,	Senn,
Fansher,	Shaw,
Forke,	Simpson,
Gardiner,	Spencer,
Garland (Bow River),	Steedsman,
Garland (Carleton),	Stewart (Hamilton),
Good,	Stewart (Humboldt),
Gould,	Stirling,
Harris,	Thurston,
Hodgins,	Tolmie,
Hoey,	Wallace,
Hopkins,	Ward,
Irvine,	Woodsworth—53.
Kennedy (Edmonton),	

NAYS

Messieurs:

Béland,	Casgrain,
Benoit,	Chew,
Binette,	Copp,
Bouchard,	Déchène,
Bourassa,	Delisle,
Cahill,	Denis (Joliette),
Cardin,	Denis (St. Denis),

Desaulniers,	MacLean (Prince, P.E.I.),
Descoteaux,	McBride,
Deslauriers,	McConica,
Desrochers,	McIsaac,
Ethier,	Mercier,
Fafard,	Morin,
Forrester,	Murphy,
Fortier,	Neill,
Gendron,	Papineau,
Gervais,	Pelletier,
Graham,	Pouliot,
Hammell,	Raymond,
Hanna,	Rhéaume,
Healy,	Roberge,
Hudson,	Robitaille,
Hughes,	Ross (Simcoe),
Hushion,	St. Père,
King, Mackenzie (York),	Séguin,
Lanctôt,	Sinclair (Queens, P.E.I.),
Lapointe,	Stewart (Argenteuil),
Lavigueur,	Tobin,
Low,	Vien,
Macdonald (Pictou),	Woods—60.

PAIRS

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

Messrs.

Michaud,	Leader,
Robichaud,	Bird.

Mr. ROSS (Kingston): I was paired with the hon. member for Brome (Mr. McMaster). Had I voted, I would have voted for the amendment.

Mr. KAY: I was paired with the member for Wentworth (Mr. Wilson). Had I voted, I would have voted against the amendment.

Mr. GUTHRIE: I was paired with the hon. member for Chambly-Vercheres Mr. Archambault). Had I voted, I would have voted for the amendment.

Mr. ROBB: I was paired with the hon. member for Vancouver Centre (Mr. Stevens) Had I voted, I would have voted against the amendment.

Mr. LADNER: I was paired with the hon. Minister of Public Works (Mr. King). Had I voted, I would have voted in favour of the amendment.

Mr. GORDON: I was paired with the hon. member for Centre Toronto (Mr. Bristol). Had I voted, I would have voted against the amendment.

Motion agreed to on same division reversed and bill read the third time and passed.

HOME BANK DEPOSITORS

Mr. SPEAKER: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate doth not insist upon their fifth amendment made to Bill No. 182, an act for the relief of the depositors of the Home Bank of Canada, to which the House of Commons hath disagreed, but have amended it as follows:

On page 2, line 5 of paragraph 1 of clause (a), after the words, "special need" insert "or in straitened circumstances".

On page 3, leave out the seventh amendment namely the preamble.

CRIMINAL CODE AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. ERNEST LAPOINTE (Minister of Justice) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 147, an act to amend the criminal code.

An hon. MEMBER: Explain.

Mr. MEIGHEN: Mr. Speaker, I do not think the Senate amendments would fail of being carried if the Minister of Justice spoke in favour of them.

Mr. LAPOINTE: The Senate has made quite a number of amendments to the bill. Although I do not agree with most of them, I think the best way is to concur and move their adoption. The amendments are as follows:

Section 4, imposing a penalty in respect of advertising, printing, posting or selling intelligence on horse races, is struck out.

Section 7, carnally knowing any girl between fourteen and sixteen, is struck out.

Mr. MEIGHEN: What is the effect of that?

Mr. LAPOINTE: We struck out the words "of previously chaste character" which appear in subsection 2 of section 301. The Senate has reinstated them.

Section 8, making it an indictable offence for an agent to make false returns on the sale of goods, is struck out.

Section 11 is struck out. This imposed a penalty for the use of the word "royal" without authority. I think many members of this House will thank the Senate, for they strongly opposed it in committee.

Another section restored to the attorney general the right of appeal in criminal matters on points of law, and the Senate has declined to accept this amendment, which I thought was a perfectly proper amendment.

Mr. CALDWELL: What is the effect of the non-acceptance of the amendment?

Mr. LAPOINTE: It leaves the code as it has been since an amendment was enacted three years ago instituting the right of appeal

in criminal matters in favour of the accused. Previously the crown had the right of appeal on a stated case, but the prisoner had no such right; now the prisoner has the right and the crown has not. That looks really ludicrous. I thought it had been an oversight two years ago, but the Senate still insists on withholding this right from the crown.

There was a clause which I had given notice of when the bill was first considered in committee here, with regard to cruelty to animals. Apparently when the bill was read the third time the clause had not been inserted. The Senate has inserted it, and properly so.

The Senate has also inserted two minor amendments to the clause dealing with agricultural fairs. They have amended subsection 6 of section 5 by adding the following as paragraph (f):

(f) the distribution by lot of premiums given as rewards to promote thrift by punctuality in making periodical deposits of weekly savings in any chartered savings bank.

I do not see any crime in it myself, and I am quite willing to accept this amendment. The following is also added as paragraph (g):

(g) bonds, debentures, debenture stock or other securities, recallable by drawing of lots and redeemable with interest and providing for payment of premiums upon redemption or otherwise.

It appears that the partial redemption of bonds is provided for before the due date either by means of a redemption fund or in some other manner, and it is stipulated that a draw shall be made and the trustee will pay to the holders of the bond whose numbers have been so drawn. There is nothing wrong about it, and I am quite in agreement with the Senate amendment in this respect. I therefore move concurrence.

Motion agreed to; amendments read the second time and concurred in.

PENSION ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment) moved the second reading of and concurrence in the seventeenth amendment made by the Senate to Bill No. 70, to amend the Pension Act.

He said: I wish to make a brief explanation in connection with the action of the Senate in regard to the message which we sent to them a few days ago. The House thought it proper to ask the Senate not to insist upon three different amendments they had made to the pension bill as passed by this House.

Mr. MACLEAN (York): Does the minister consider that a money bill?

[Mr. Lapointe.]

Mr. BELAND: It is not a regular money bill. A body constituted by parliament has the exclusive power of awarding pensions, and payment can be made by parliament only after such award is made. The Senate have decided not to insist upon two of the three amendments to which I have referred, but to insist upon the amendment they made to the clause regarding appeal. I read in the Montreal Gazette of this morning a report which unwittingly ill-describes the situation. It is represented in that report that the Senate agreed to insist only upon the amendment which it had made to the pension bill prohibiting the granting of pensions in cases where disability was to be traced to misconduct. That is not the situation as it exists. We have never attempted to prohibit payment of pension to men whose disability was to be traced to misconduct. What we attempted to do was to provide an appeal for all those men who on that ground were refused a pension. A decision on the part of the Board of Pension Commissioners not to grant pension on the ground that the disability was due to misconduct is tantamount to saying that the disability was not attributable to war service, and in all other cases where the decision is that the disability was not attributable to war service there is the right of appeal. The Justice department has given the opinion that where the Board of Pension Commissioners decide that the disability was due to misconduct and that therefore no pension can be awarded, there is no appeal, and we had provided in the bill for such an appeal. The Senate has chosen to insist on its amendment. I do not propose to move for a conference at this late hour; I do not think that any useful purpose can be served by it. The Senate acted in full cognizance of the whole situation and circumstances. I can only express regret that at least for a few months more the men who have been turned down on this ground and who feel that they have been unfairly dealt with will be precluded from entering an appeal.

Motion agreed to; amendment read the second time and concurred in.

SUPERANNUATION ACT, 1924, AMENDMENT

Hon. J. A. ROBB (Acting Minister of Finance): Mr. Speaker, in the Votes and Proceedings of Thursday, June 25, there is the following under "Notices of Motions and Questions":

The Acting Minister of Finance—on Saturday next:—bill intituled: "An Act to amend the Civil Service Superannuation Act, 1924".

If I may have a unanimous consent, I should like to have this bill put on the order paper and if possible put through. I will explain the reason.

Mr. SPEAKER: By leave of the House, and its unanimous consent, Mr. Robb moves, seconded by Mr. Graham, for leave to introduce Bill No. 239 to amend the Civil Service Superannuation Act, 1924.

Motion agreed to and bill read the first time.

Mr. ROBB moved the second reading of the bill.

Mr. MEIGHEN: I do not know anything about the bill, and I want it understood that its second reading in no way binds me. I would also point out that this bill was not mentioned in the list of items of legislation to be brought down, and it comes as a surprise.

Mr. MACKENZIE KING: It was too small for that.

Mr. ROBB: This bill has been requested by representatives of the civil service. Under the Superannuation Act of last year they were given until the 19th of July of this year to elect whether or not they would come under that act. They now ask that the time be extended for another year, and all we are doing is to substitute "two years" for "one year". The bill is introduced to meet their wishes. I am not pressing it, if there is any objection.

Mr. MEIGHEN: That is not a very illuminating attitude—

Mr. SPEAKER: Perhaps the discussion had better take place when we go into committee.

Motion agreed to, bill read the second time, and the House went into committee thereon, Mr. Gordon in the chair.

On section 1—Time of election extended.

Mr. ROBB: I have no further explanation to offer than that already given. This is to extend the time of election for another year. I brought in the bill at the request of representatives of the civil service. I admit they should have already elected whether they would come under this act or not, but perhaps it is not unreasonable to give them another year.

Mr. MEIGHEN: What are the reasons they advance? If the minister has none of his own, perhaps he would pass on their reasons.

Mr. MURDOCK: Perhaps I might be allowed to give an illustration. Take the case of a man sixty or sixty-five years of age who will within a very short time be retired. He has paid into the retirement fund, under the previous regulations, a considerable amount of money, which he would be allowed to draw out in a lump sum on his retirement unless he elected to come under the new Superannuation Act. A number of them have not yet elected whether or not they will relinquish their grasp on that lump sum they can withdraw under the old scheme and let it go into the new superannuation fund, as it would have to do if they elected to come under that scheme. Some of the employees in that class desire a little longer time in which to decide whether to draw out the amount to their credit in the retirement fund, or to relinquish that and take advantage of the benefits that would accrue to them under the Superannuation Act that was passed last year.

Mr. MEIGHEN: This makes clear the advantages of waiting, I know, but then a time limit has been fixed. Do they give any reason why they should have another year, and if so, what is the reason?

Mr. MURDOCK: The only reason is the uncertainty which some of them are in as to which course it would be advisable for them to take, whether to get their money in a lump sum, and in some cases it amounts to two or three thousand dollars, and be done with all superannuation schemes, or to come in under the new act. It is just a question of uncertainty in the minds of some of them as to which course they should take.

Mr. MEIGHEN: Catching the contagion of the government, and falling into ways of procrastination.

Mr. SHAW: I think also some question has arisen as to the interpretation of various sections of the Superannuation Act. I know that in some civil service organizations with which I am familiar these questions have arisen, and they have asked for another year in which to elect, pending assurances as to the real interpretation of the act.

Mr. ROSS (Kingston): I would ask the minister if this act would cover the cases of some seven or eight guards or more in the penitentiary who would have to pay into the superannuation fund a large sum of money in order to get the benefits of this act. The officials who have been there for twenty-odd years have not the amount of money that it is necessary to pay into the new superannuation fund in order to bring them under the

act. At the same time, they have laid up a gratuity in some cases of some two thousand dollars or more, which would come to them in case of resignation from the service. Now these few officials would like some change in the Superannuation Act, so that instead of paying in the lump sum that is required to come in under the new act, they shall be credited with the amount that has accumulated to their credit after twenty-five or twenty-six years service. They are withheld from entering into the superanuuation scheme on account of the large amount of money, some $1,500, which they would have to pay in in a lump sum to come under the scheme. I would like to ask the minister in charge or the Minister of Justice or the Minister of Labour if their case will be considered, and an amendment made to the act so as to permit of some change being made in their case.

Mr. ROBB: This amendment does not change their status in any way. It does not in any way change the Superannuation Act, except as to extending the time of election. I know there have been representations made to us from various sources to widen the act, but we have refused to meddle with it at all. We propose to let it have another year's operation.

Mr. ROSS (Kingston): Might I ask the Minister of Labour or the Minister of Justice to make some statement that the cases of these men will be considered? I think they will agree with me that it is impossible for these men to pay in that lump sum of money.

Mr. MURDOCK: There are a considerable number of employees in the service in somewhat the same position. For instance, down at the Printing Bureau we have several hundred employees who are not now under this Superannuation Act that was passed last year, whereas they were under the Calder Act, which expired last year. That situation and a number of similar situations possibly should be dealt with by parliament at some time, but this amendment does not change the situation at all in relation to the employees my hon. friend speaks about, except to give them one year longer in order to elect which they shall do.

Mr. ROSS (Kingston): May I point out that in the meantime these employees are taking great chances. There is a case now, and it will come up in the supplementary estimates, of an employee with about twenty-six years' service who became sick. If he had been informed that he was going to die within a very short time, he could have resigned, but he died and he lost his $1,800. He was not under the Superannuation Act. A number of these sad cases may arise, and I think the minister would be doing a very creditable thing if he would assure us that their case will receive immediate consideration. I shall have something further to say on this matter when the estimates come up.

Section agreed to.

Bill reported, read the third time and passed.

RURAL CREDITS

FEDERAL ASSISTANCE TO AGRICULTURE—LONG TERM LOANS TO FARMERS

The House resumed from June 25 consideration in committee of Bill No. 237, to authorize advances to assist agriculture by providing for long term farm loans,—Hon. Mr. Robb—Mr. Gordon in the chair.

On section 1—Short title.

Mr. MEIGHEN: I thought the government had abandoned this farce? What was the idea of taking it out of committee?

Mr. ROBB: The idea was to proceed with other business and make some progress. If we make progress we shall go on with the bill. I intimated to the House yesterday that we had introduced it with good intentions but it did not receive the support we expected, and I say frankly now that I am not going to sit here all summer and discuss it.

Mr. MEIGHEN: I would not advise the minister to do so. Does he consider it progress to pass a bill like this? Take the one clause which provides that mortgages under this legislation shall take precedence over all taxes,—school taxes, municipal taxes, and every other lien and charge. Does the minister imagine that any municipality or province could possibly permit such a thing as that? Why, you could not conduct your school system under such circumstances. Even to-day there are many scores of school districts which cannot sustain themselves, and the fact that our soldier settlement lands that have fallen into the hands of the government are exempt has been a contributory cause. I am not attributing any fault to the government in that respect because it is difficult to take the stand that these lands should be taxable. But for goodness' sake do not suggest that we go further. There is not the slightest chance in the world of any government permitting mortgages under this legislation to take precedence of school taxes. How could the school district ever protect itself against the mortgagor? How could it

protect its security? Here they have a lien on land, a mortgage against it, with a mortgage sale proceeding started. How will they protect their lien? They have three or four hundred dollars in accrued taxes and they have no power to bid in the mortgage; and what is more, they never could provide the money if they had the power. That one clause therefore, to say nothing of other features of the bill, is fatal; it is only a mere fiasco for the government to bring a bill in this form.

Section agreed to.

On section 5—Conditions.

Mr. SPENCER: I would suggest, although I will not move, an amendment to subsection (1) to strike out in the twenty-eighth line the words "ahead of all other claims and encumbrances whatsoever". As the leader of the opposition says, this provision makes the bill useless, and I would advise the government to amend it. I will not offer it as an amendment because I know that if the government insists on carrying the bill as it is the amendment will only be defeated.

Mr. ROBB: I cannot consent to that. As a matter of fact, I think that one reason they are paying high money in western Canada is the fact that there are too many restrictions. People who loan money want to have some assurance that they will get it back and in some of the western provinces they have in recent years introduced legislation which is adding materially to the cost of money in that part of the country. We have a record in the Department of Insurance showing the revenue secured by land companies for investments, and when you figure the amount written off as a loss on loans in western Canada, I think the rate of interest compares favourably with the rates paid in eastern Canada.

Mr. COOTE: At least I would suggest that subsection (1) stipulate that this mortgage shall rank ahead of all other claims except in such case as may be provided for by the Governor in Council. Surely the minister will admit that school taxes should have precedence in this matter. If the school district is not allowed to collect its taxes it will be impossible to carry on the school system; and without a school system you cannot have anything approaching a civilized community. The minister will find this unworkable.

Mr. ROBB: If some method could be adopted by means of which school taxes might be exempted, that would be desirable, because it is important that the school districts should function. But I understand that in some of the provinces the assessment is made and the school taxes are collected along with all other taxes, and we cannot therefore make an exception.

Mr. GARDINER: I would point out, however, that although the taxes may be collected by one person they are really separate. That is the case in the province of Alberta.

Mr. ROBB: This legislation is not for Alberta alone; it is for all the provinces. I am not prepared to accept the amendment.

Section agreed to.

Bill reported, read the third time and passed.

SUPPLY

The House in committee of Supply, Mr. Gordon in the chair.

Indians—Nova Scotia, $74,340.

Mr. MacLAREN: I understand that nothing further is to be done at this hour, after calling the item.

At one o'clock the committee took recess.

The committee resumed at three o'clock, Mr. Gordon in the chair.

INDIAN AFFAIRS

Sir HENRY DRAYTON: What is the explanation of this item?

Hon. CHARLES STEWART (Argenteuil, Superintendent General of Indian Affairs): The Indian population of Nova Scotia is 1,827 on 45 reserves. The details of the estimated expenditures are as follows:

Salaries	$ 6,240
For relief	25,000
To provide for the encouragement of agriculture	1,500
Medical attendance and medicine	12,200
Repairs to roads and dykes	3,000
Miscellaneous and unforeseen	26,400
Total	$74,340

Mr. MEIGHEN: There is an increase of $20,000. That is a tremendous increase.

Mr. STEWART (Argenteuil): Some years ago land was purchased outside of the town of Sydney for the removal of the Indians out of the town—they are residing on about an acre or two of ground in the heart of the town. I have had to put a largely increased amount in the estimates for the purpose of trying to get the Indians upon an area out-

side of the city and to build houses for them.

Mr. MEIGHEN: Does the minister intend to go ahead with that scheme now?

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: Is the Indian population there diminishing or increasing?

Mr. STEWART (Argenteuil): It is not diminishing; it is just about the same from year to year. The municipality complained very bitterly about them and we are going to try to move them out of the town.

Mr. MEIGHEN: The Indians are doing better than the rest of the people there.

Item agreed to.

Indians—Prince Edward Island, $3,935.

Mr. MEIGHEN: How many Indians are there in the island?

Mr. STEWART (Argenteuil): There are 292 on two reserves.

Mr. MEIGHEN: The cost is about $200 apiece.

Mr. STEWART (Argenteuil): About that.

Item agreed to.

Indians—Ontario and Quebec, $254,930.02.

Mr. SENN: Six Nations Indians who reside in Brant county are wards of the government the same as the other Indians. The department, I believe, hold in trust certain funds accumulated by the sale of property which belonged to the Indians when they were first given their grant in Canada. I am sorry to say—of course the department understands the situation more fully than I do—there is a feeling on the reserve in regard to certain things which the department has done. A year or two ago the department abolished the old hereditary council and established a new system of electing the council. I do not know that this has worked out altogether satisfactorily, but I do not want to press that at all to-day.

Mr. STEWART (Argenteuil): The hon. member resides beside the reserve. Does he not think the new system of election has improved the situation somewhat?

Mr. SENN: I think it would have been a wise thing if the band themselves had had an opportunity of having some kind of referendum to say which system they preferred. I believe I can safely say that the majority of the band to-day are not in favour of the elective system. It is very hard to get the Indians to take any part in an election or a referendum.

[Mr. C. A. Stewart.]

I should like to mention one or two matters to the minister and see if possibly some consideration cannot be given to them by the department. The first question I want to ask is about the secretary of the old hereditary council, Mr. Hill. He was regularly appointed and he resided on the reserve for some length of time. All communications from the department went to him, in fact, I think up to the time when the old hereditary council was abolished. During the last two or three years of his incumbency he has not been paid his salary. I do not think the secretary should be penalized in any way on account of any disagreement between the department and the council, because the secretary, after all, holds a secretarial position and is not responsible for the action of the council. I would urge upon the department that Mr. Hill should be paid his salary. I understand the interest from their trust funds is used largely for educational purposes and for the maintenance of roads and bridges. Perhaps the minister will state whether this is so. I should also like to know if the schools on the reserve are conducted according to the provincial regulations requiring properly qualified teachers. I see that in one of the Auditor General's reports there is an entry of bonus payments to these teachers. What is this bonus given for?

Mr. STEWART (Argenteuil): The school regulations are much the same as those governing public schools of the province in which the reserve may be located. The bonus referred to is the cost of living bonus. Although this is one of the finest of our Indian reserves, there has been a rather bitter fight there for a number of years between two factions on almost everything relating to the administration of the reserve, including the old system under which they selected their councillors on an hereditary basis. We thought it well to widen the selection by changing the system to an elective basis. Naturally when a drastic change of this kind is made resentment will be aroused, but I do not think we could have allowed the hereditary council to function very much longer on account of the arbitrary manner in which it was treating the people. As to the salary owing to David Hill, he was appointed by the old council, without reference to the Superintendent General of Indian Affairs at all, and he carried on very arbitrarily, refusing to make returns to the department, and so far we have no returns of the transactions of the council for that particular period. We have no desire to keep Mr. Hill out of his money, but we do insist on getting those returns. It may

be somewhat unfair to penalize him for the shortcomings of the council, but we feel that he could, if he so desired, get us all the information we are entitled to.

Mr. SENN: Of course, I realize that there have been differences between the department and the old council, but I must repeat that I do not think Mr. Hill should be penalized for the failure of the council to make proper returns. As to the change made by the minister from an hereditary to an elective council, it must not be forgotten that the Six Nations Indians are in rather a unique position. They came to Canada from the United States at the time of the American Revolution and were given their reserve by the British crown. Although the Haldimand Treaty possibly did not make any specific reference to the rights of the Indians with respect to administration, it is generally conceded that they were to be allowed to look after their own municipal affairs. That privilege is gradually being taken away from them, and I think it is the main cause of the longstanding differences between the band and the department. I would urge that the minister should give further consideration to Mr. Hill's claim, and I think it is very unjust that it has been neglected so long.

I understand that the band has been asked to ratify a certain oil lease which the department proposes to grant to a certain company. A vote was taken among the band some little time ago on the question of ratifying this lease, but out of a total of 800 votes, only 130 were cast, and this unrepresentative vote resulted in a small majority in favour of ratifying it. The lease, as I understand it, will tie up all the land of the reserve and will effectually prevent any individual Indians making arrangements whereby they would have the privilege of enjoying free gas or oil. Therefore it seems to me that the proposal is not in the best interests of the whole band.

Mr. STEWART (Argenteuil): The lease, as a matter of fact has not been granted, but the vote has been taken. I am very glad to get this information from my hon. friend, because we will be considering the matter very shortly, and I can assure him due weight will be given to the representations he has made.

Mr. SENN: The minister referred to the failure of the old council to make certain returns to the department. On the other hand, I am told that the old council is asking for an audit of all the department's transactions with the band. I presume the superintendent general has had that request before him. Of course, I am not going to press for such an audit, but it seems to me that in view of the accusations and counter-accusations, a full audit might well be arranged for.

Mr. STEWART (Argenteuil): I think there must be some mistake, because two or three years ago at a meeting in Brantford I promised the Indians they should get from us every six months a return covering all transactions, so that they may be kept posted as to what is being done with their funds.

Mr. SENN: I am advised that certain members of the band have been enfranchised during the last two or three years, and that these Indians, although they are no longer members of the band, have been granted relief scrips which entitle them to provisions from grocery stores on the score that they and their families are in indigent circumstances. It seems to me that if this is being done the practice is most unfair to the band.

Mr. STEWART (Argenteuil): That is the first I have heard of the complaint. The band is prolific of trouble all the time, but I think we have a good agent in Mr. Morgan. I know it has been complained that the enfranchised Indian leaves the reserve, dissipates his money, and comes back and forces himself on the band when he is hard up. I do not think the band is being charged for funds that have gone towards the maintenance of any enfranchised Indians.

Mr. SENN: Are the schools of the reserve built out of the trust funds of the band or out of government funds?

Mr. STEWART (Argenteuil): They are built out of the band's trust funds.

Mr. MACLEAN (York): I know the Six Nations Indian reserve very well. In view of the likelihood of a great discovery of oil in this country, does the minister know if any oil companies are trying to tie up Indian property in the way that has been mentioned by the hon. member for Haldimand (Mr. Senn).

Mr. STEWART (Argenteuil): In the sense of buying up the property, no; but in the sense of securing leases, yes. Leases are issued in these cases just the same as they are on the property of white people.

Mr. MEIGHEN: I had the advantage of listening to a delegation representing this land some time ago. They presented their case with really remarkable ability and a native eloquence that was inspiring. I presume the minister has had some experience of that kind. They made serious indictments against the department, but the gist of it all was the lack

of fairness and frankness in dealing with them. They claimed—and they seemed to have evidence to support the claim—that those supporting the hereditary system were not given a hearing before the commissioner who investigated, or was supposed to investigate, their difficulties; that they were treated rather cavalierly, and their secretary has been denied his remuneration. They also made a complaint, which I recall very well, with respect to the type of teacher, in both spheres, sent to instruct them. I must say they presented their case about as ably as any I have ever heard by way of delegation, and I am sure the member for the riding, who knows more about the band than any other hon. member is voicing the sentiments of the people in that district when he expresses some sympathy with these Indians. This tribe, I think, deserve better of us than any other in Canada; certainly no other deserves more than does the Six Nations Indian tribe. They came here in the capacity of United Empire Loyalists. They left their own country and came to stand by the British flag in these dominions, and they came under certain treaty rights which we should scrupulously and sacredly honour and protect.

Mr. STEWART (Argenteuil): I entirely agree with my right hon. friend as to the manner in which the Indians can present their claims. Indeed, for a year and a half after I took charge of the Indian department I thought they were the most abused people on the face of the earth, from the representations they made to me; but I discovered on closer acquaintance with them that they were very adroit at presenting their case. I have gone to Brantford on three occasions and consulted with the member for that riding (Mr. Raymond) as well as many other prominent people in the locality. The agent who was then in charge, and who has since died, had perhaps the most troublous and turbulent time of any agent in the employ of the government. He was a very decent chap, but all hon. members will agree with me, I think, when I say that he had a very troublous time. Evictions were being made and the people of the reserve were being treated in the most arbitrary manner. In fact, so bad did the conditions become that we had to ask that a detachment of police be placed upon the reserve; It was quite out of the question to permit that sort of thing to go on; we had to call a halt. In addition, there was a chief by the name of Deskaheh who finally appeared at the League of Nations to lay his troubles before that body. He had to leave the country, and he was aided and abetted by an American lawyer. His argument, of course, was that these Indians were British subjects; that they were not amenable to the laws of Canada but were allies of the British. Now, I have no quarrel with that sort of thing, but it must be borne in mind that there are two elements on that reserve, the Christian element and the pagan element, between whom the feeling existing is not of the best and it is a little difficult to stand in between those two elements and preserve order. But I notice that since the inauguration of the elective system they have not had nearly so much trouble. I will say for David Hill that he is one of the cleverest platform speakers I have listened to, and he can make a presentation of a case that is somewhat difficult to refute. I know all these gentlemen very well; I have had three years' acquaintance with them. But I wish the committee to believe that the difficulties are not by any means all on one side. I will say that if there are difficulties now I am not hearing so much about them as I did formerly. The people are living in peace and quiet, something that they were unable to do prior to the inauguration of the new system.

Mr. SENN: I would not like the minister to give the committee the impression that under present conditions the situation is all that could be desired. One section of the tribe, which is in the vast majority so far as numbers go, are doing their best to keep the peace and to obey the law and they are accepting the present situation in the best possible spirit. On the other hand, I would like to plead with the minister and with the department for the adoption of a little more conciliatory attitude, because these men, after all, have their grievances. I live close to them myself, I have talked with a good many of them, and I know their attitude. I know they are loyal to the British Crown, and their grievances are only over such small differences as occur in local administration. Possibly it would not be wise for me to say anything more, but in closing I just want to plead with the minister once more to adopt a conciliatory attitude so far as the department is concerned, and I think it would be in the interests of the department itself to settle these few small matters.

Mr. McKILLOP: I would like to draw the minister's attention to the condition of affairs that exists among the Munsey band of Indians, situated on the Thames river. Some weeks ago I received a letter from the chief of the tribe asking me if I would get in

touch with the deputy minister or with the hon. minister himself, and find out if they would send an inspector up to investigate certain charges they had against the local agent. I got in touch with the deputy minister, and he assured me that an inspector would be sent up there to investigate. Two weeks ago I received another letter from the chief informing me that the inspector had arrived there, but an investigation was not held, that all the inspector did was to call in the local agent and have an interview with him. The Indians were not called in at that interview at all. They claim that they have certain charges against the local agent that they want investigated; in fact, they go so far as to say they want the local agent removed, that he is not satisfactory to them at all. One special charge they make against him is that he is registering the names of people belonging to the reserve who do not belong there at all, and they object very strenuously to that sort of thing. They would like to have their charges investigated as soon as possible.

Mr. STEWART (Argenteuil): I think this is the same case that the late Mr. Drummond brought to my attention, is it not?

Mr. McKILLOP: Yes.

Mr. STEWART (Argenteuil): There was trouble there last year, and we held an investigation and thought the matter was adjusted, but it seems to have broken out again. We are having Mr. Parker go up there very shortly to look thoroughly into the whole matter.

Mr. McKILLOP: Will you have Mr. Parker make an investigation with the Indians present?

Mr. STEWART (Argenteuil): Oh, yes.

Mr. McKILLOP: With all the band together? The matter should be thoroughly threshed out before them.

Item agreed to.

Indians—Manitoba, Saskatchewan, Alberta and Northwest Territories, $691,657.

Mr. COOTE: I wish to bring before the committee a petition which I presented to this House on June 15th from the Peigan Indian Band, praying for the cancellation of a certain lease granted to the Hon. A. J. McLean, covering a large portion of their reserve—although a majority of the Indians had voted against the lease. I regret, Mr. Chairman, that I should have to delay the committee this afternoon when we are so near prorogation, and I presume a great many members will be rather impatient that this matter should be taken up to-day, but I do not think it is my fault in any way. I would like to have discussed it on previous occasions, but I have deferred doing so to suit the convenience of the Superintendent General of Indian Affairs, and I think his convenience should be considered before that of private members.

The Indians in their petition ask for the cancellation of this lease on the ground that they were assured by Commissioner Laird, who negotiated the treaty with them in 1877, that their reserve would not be occupied without their consent. I wish to quote very briefly the words used by Commissioner Laird when he negotiated this treaty with the Indians. I am quoting from a book "Treaties of Canada with the Indians of the Northwest" by Morris. The Hon. Mr. Morris was at one time Lieutenant Governor of the Northwest Territories, and is, I think, very well qualified to speak on all Indian affairs. He sets out in this book the reasons why the government of Canada were very anxious to negotiate this treaty with the Indians. Briefly, the reason was that the Indians, who held a natural title, as he states, to this land, were anxious that the treaty should be negotiated, and the government were anxious also because many white settlers were desirous of securing homesteads in that part of the country. The treaty was negotiated by the Hon. David Laird and Colonel McLeod of the Northwest Mounted Police. In order not to take up too much time, I will quote briefly from Commissioner Laird, who, at page 257 of this book, says in regard to this treaty:

> On Tuesday we met the Indians at the usual hour. We further explained the terms outlined to them yesterday, dwelling especially upon the fact that by the Canadian law their reserves could not be taken from them, occupied or sold without their consent.

I would ask the House whether a lease for ten years means occupation or not.

The late Colonel McLeod is quoted at page 275 as saying to the Indians:

> You say that I have always kept my promises. As surely as my past promises have been kept, so surely shall those made by the Commissioners be carried out in the future. If they were broken I would be ashamed to meet you or look you in the face; but every promise will be solemnly fulfilled as certainly as the sun now shines down upon us from the heavens. I shall always remember the kind manner in which you have to-day spoken of me.

After this there was a great shaking of hands and the council ended. The late Colonel McLeod, who afterwards became chief justice of Alberta has gone, and the present Super-

intendent General of Indian Affairs, in spite of these promises that were made to the Indians at that time, has against the vote of the band leased a large part of this reserve. There are many quotations given here by the late Lieutenant Governor Morris along similar lines but I think the two I have quoted should be enough to show the House the nature of the promises made to the Indians by the two commissioners on that occasion.

Section 40 of the Indian Act provides that no leases of any Indian land shall be granted without the consent of the band, and that a vote shall be taken, and a record of the vote kept in the Indian office. When I discussed this matter in the House last year, the Superintendent General of Indian Affairs stated that he understood the Indians had voted in favour of this lease. On the 8th of July last he made the following statement, as will be seen at page 4332 of Unrevised Hansard, July 8, 1924:

> We never lease land on an Indian reserve unless the band has voted in favour of it, which vote is registered in our office.

This shows clearly that the practice of the department in the past has always been to obtain the consent of the band. I find that an attempt was made to secure consent to this lease. A year ago I asked for a return of all correspondence passing between the government and any other parties in connection with this lease. This return when brought down contained a letter from the Indian Commissioner dated April 2 in which he states very clearly that an effort had been made to secure the consent of the Indians. He said:

> With regard to the Peigan lease, I gave the Indian Agent, Mr. Arthur, strict instructions to negotiate with the Indians for the surrender of 30,000 acres of grazing to be leased to Mr. McLean. The whole matter was fully discussed with them by the agent. They could not come to an agreement. I then sent one of the inspectors up from this office to see the Indians, and he was not successful in getting a surrender for leasing.

On my return to Alberta last year the Indians asked me to come to Macleod to see them in connection with this lease and while I was there the Indian Chief requested me to interview their lawyer in company with himself. From my conversation with Mr. Fawcett I learned that certain correspondence passing between himself and the Department had not been included in the return brought down. This year when I came back to Ottawa I asked the Deputy Superintendent General if there was such correspondence in the department and he later on brought down a supplementary return. This return I have in my hand and it shows that three or four letters were written by Mr. Fawcett who was at that time, I think, mayor of Macleod. The letters are addressed to the Superintendent General protesting against this lease, on behalf of the Indians. The first letter dated January 9 includes a petition signed by some seventy of the male members of the band protesting against the lease being granted. There follows a reply from the Superintendent General, with a further letter from Mr. Fawcett dated January 31, 1924. In this letter Mr. Fawcett points out that the Indians claim that the granting of the lease would be a violation of the treaty which was entered into with them by the Hon. David Laird and Colonel McLeod on behalf of the government of Canada. They also point out that only fourteen Indians had voted in favour of the lease. Mr. Fawcett in this letter says:

> Surely the department will not arbitrarily ignore the treaty with the Indians and lease their land without their consent.

I want to quote the reply of the Superintendent General under date February 16, 1924, to Mr. Fawcett:

> As you are probably aware, the Indian Act gives the department authority to take whatever action it deems to be in the best interests of the Indians; and as the Indians are costing the people of Canada a considerable amount annually, it becomes necessary from time to time to take such action as is in their best interests, at the same time relieving the taxpayers of Canada to this extent.

This is the question I want to ask the Superintendent General and the members of this committee: For the paltry sum of $1,300 odd should we sacrifice Canada's good name by a violation of a treaty with the Indians, when we spend $1,400 to erect a flagpole on our magnificent new parliament building?

Mr. MEIGHEN: How much does the hon. member think our good name is worth?

Mr. COOTE: I think it is worth considerably more than that.

Mr. GRAHAM: And it is getting to be of greater value every day.

Mr. COOTE: If the taxpayers of Canada were consulted in regard to this small sum which we are receiving for this lease they would say that the lease should be cancelled and that Canada's obligations under this treaty should be considered as something more than a scrap of paper. In order that those who care to read this debate may be fully informed in regard to this matter, I should like with the permission of the House to put these letters on Hansard. They are

not very long and they form a part of the supplementary return brought down this year.

Macleod, Alberta,
January 9, 1924.

Superintendent,
Indian Affairs,
Ottawa, Ontario.

Peigan Reserve Lease

Dear Sir,—I enclose you herewith list of negative votes in connection with the proposed lease to Archie McLean of some thirty-seven or more Sections at 6 cents an acre which the Indians stated to me he would fence if granted the lease. This document was brought into me by Philip Big Swan, Head Chief, Leo Smith, Minor chief and Percy Smith, cousin of the Minor chief.

These men pointed out that it is not satisfactory to have any of the reserve leased. Years ago Maunsell Brothers had a lease, and that the pasturing and the opportunity to cut hay gradually grew less and during the years of 17-18 and 19 the Indians were not able to put up hay sufficient for their stock, resulting in the winter of 1920 in a tremendous loss of stock and a very large expense of money and labour to purchase hay for the stock on the reserve. Since that time the stock has been increasing and these men state that if a large portion of the reserve is leased they will find themselves in exactly the same position as obtained a few years ago when the range was heavily pastured by Maunsell Brothers. They point out further that in fencing thirty-seven sections a very large portion of the best watering places will be enclosed by the fences and the Indian stock forced to water elsewhere.

It would seem that this application to lease and the advisability of it was not discussed with the Chiefs of the reserve. May I point out that the Head Chief and two minor chiefs Leo Smith and Many Chief, are against the lease, sixty-five I believe in all.

Kindly give this matter your usual good attention in the best interests of these Indian Wards.

Yours truly,
JOHN L. FAWCETT.

Macleod, Alberta,
January, 31, 1924.

Honourable Charles Stewart,
Superintendent of Indian Affairs,
Ottawa, Ontario.

Peigan Reserve Lease

Dear Sir,—Your favour of the 19th inst., at hand and contents carefully noted.

Philip Big Swan, the head chief came in again to-day and expressed himself and the other Indians who are with him very strongly in the matter. He asked me to point out to you with the other Indians the action of the Department in going ahead to lease the reserve, was a complete renunciation of their treaty which their fathers had made in years gone by when it was agreed that the Indians should have this land so long as the grass grew and the river ran. He tells me that when they talked the matter over at the agency at Brocket, only four Indians were in favour of leasing, and all those whose names I sent you were against it, but Philip Big Swan tells me that he thinks some ten people signed it before that. He further tells me that there has never been on the reserve any notice sent around and the day fixed when all the male Indians over twenty-one years could go in and vote for the leasing or against it.

It is very apparent that if all the male Indians were asked their opinion the big majority would be against leasing and if this is so surely the Department will not arbitrarily ignore the treaty with these Indians and lease their land without their consent.

It might not be so bad if all the chiefs were in favour, but the fact is, the Head Chief, Philip Big Swan, and the minor chiefs, Leo Smith, Many Chiefs. Man Who Smokes are all against it and the fifth chief, Crow Eagle was away at the time they had their talk at Brocket, but he is probably against it. Thus, you have a great many of the Indians against it and all of the Chiefs but one and probably all of them, and yet the department in the face of that seem to intend to follow Commissioner Graham's recommendation. This surely is a very serious way of dealing with the management of the reserve.

Since I last wrote, the Chief informs me that an Inspector Christenson from Regina has been up to see them and knows now that very many of the Indians are against the leasing and he told the Chief that he would report the matter to Commissioner Graham. At the same time the Chief and other Indians explained personally why they did not want the lease.

Kindly bear in mind that the representation as I have made as above has been given me direct by the Indians themselves and are only worded as best I could to express their position.

I am not personally interested but I cannot refrain from saying that I have known the Head Chief for quite a number of years and his conception of what is best for the Indians on the Reserve should be given great respect for he is shrewd and reliable.

Yours truly,
JNO. L. FAWCETT.

Ottawa, Ontario,
February 16, 1924.

Dear Mr. FAWCETT,

I have your favour of the 31st ultimo re the Peigan Reserve lease.

As you are probably aware, the Indian Act gives the Department authority to take whatever action it deems to be in the best interests of the Indians; and as the Indians are costing the people of Canada a considerable amount annually, it becomes necessary, from time to time, to take such action as is in their best interests, at the same time relieving the taxpayers of Canada to this extent.

In the present case, the necessary pasturage is available and the department has concluded that it is in the interests of the Indians to execute the lease.

Yours faithfully,
CHARLES STEWART.

His Worship Mayor Fawcett, LL.B.,
Macleod, Alberta.

JOHN L. FAWCETT, LL.B.
Barrister, Notary Public, etc.,
Macleod, Alta.

March 6, 1924.

Superintendent General,
Indian Affairs,
Ottawa, Ontario.

Peigan Reserve Lease

Dear Sir:

Your favour of 16th ultimo was duly submittted to the Head Chief of the Reserve and he in turn took the matter up with the Minor Chief and the other Indians and they returned to-day asking me to write you further, pointing out to you as follows:—

They signed the original petition because they believe there is not sufficient pasture and hay available and further that some of the land to be included in the lease has Indian settlers thereon.

They note what you say in regard to the Indians costing the people of Canada large sums of money and they answer that the Treaty which they signed by their now dead Chiefs arranged for that and they were promised that they would be looked after.

They further point out that about ten years ago they voted to allow the Government to sell the Reserve North of the Old Man River and that about ten thousand acres of this land are still unsold and worse still the Indians have not received any payment whatever from that which was sold either from the account of interest or principal and that the Department must still have this money on hand. They ask that if the Government is going to lease without consulting them that they should confine themselves to leasing this ten thousand acres and not involve the Reserve in another matter when the Department has not settled or cleaned up the former.

They complain that it looks to them as though the Government was not trying very hard to take care of their interests, that surely the Head Indians of the tribe ought to be considered as having some knowledge as to what is in their interest.

Only a short time ago they agreed to sell a small portion of the Reserve for the Lethbridge Northern Right of way and that this money has been duly received and distributed and they fail to understand why the Dominion Government does not deal the same way with the people under its particular care.

Yours faithfully,

JNO. L. FAWCETT.
Brocket, Alta.,
April 4, 1924.

Rt. Hon. M. King,
Ottawa, Ont.

Sir,—We respectfully submit to your Excellency that we members of the Peigan Band of Indians do express our disappointment of a certain lease, which we have learnt from Commissioner Graham, that Hon. Chas. Stewart has granted to Mr. A. McLean.

A meeting was called for by Indian Agent Mr. C. A. Arthur, a vote took place, a majority of over three-quarters of the voters was against the said lease.

Experience has taught us to do away with such leases. We have leased our reserve for the past twenty years to Maunsell Bros., and we know the consequences. We never received a cent of the lease money and then the dry years came so our stock had to die.

We understand it will be a closed lease not in one block, but in three parts, twenty-four sections, ten section in another, and three sections, so it will take up the best grazing land we have, including the springs and watering places, when it is fenced our stock at large will suffer for want of water.

We surrendered thirty-six sections of our reserve, about thirty-six sections is fenced in for farming purposes and Mr. McLean got on or about thirty-seven sections.

We have about 2,800 head of stock, cattle and horses, to graze the balance of our reserve. If we should get dry years again and do not save our grass now our stock will die on us again. So we think we will be far better off to not have the lease, six cents an acre or three dollars and twenty cents for each Indian is not enough.

This lease is against the Indians' will, and so we are asking you for protection, to see into the matter and to find out why should they force this lease on us. An answer will oblige.

We are, Sir,
Yours obediently,
Jno. Crow Eagle, M.C.

[Mr. Coote.]

I also obtained from the department this year a record of the vote taken in connection with this lease. I find that was taken on January 7, 1924 under the superintendence of Mr. C. A. Arthur, the Indian Agent. Seventeen Indians voted in favour of the lease and fifty-three against. I am giving these particulars in view of the statement made last year by the Superintendent General to the effect that he understood that the Indians had voted in favour of the lease. I have also a letter from the Indian Commissioner in which he states very plainly that the Indians voted against the granting of the lease and the matter was reported on by him to the minister. The commissioner apparently could not have advised the minister to that effect; Mr. Fawcett of Macleod states very clearly in his letters that the Indians were opposed to the lease. In view of that fact I think I am fully justified in suggesting to the minister that the lease should now be cancelled. I would point out to the committee before leaving this phase of the question that on April 4 one of the chiefs of this band, John Crow Eagle, addressed a letter to the Prime Minister (Mr. Mackenzie King) protesting against the lease and stating that a large majority of the Indians had voted against it. This letter was forwarded to the Indian department for a reply to the Indian chief; it was forwarded by the department at Ottawa to the Indian Commissioner at Regina, and the Indian chief was finally answered by the commissioner. I desire the permission of the committee to place on Hansard this one letter from the Indian chief.

I have brought this matter up here because the Indians said to me, "We feel that we have no one to speak for us. When we try to talk to Ottawa it is like talking through a ten-foot wall, and we hope you will take the matter up for us there and see if parliament will not restore to us our treaty rights." One old Indian chief said to me, "Will you tell the members at Ottawa that we think they are wise men, and if they are wise men they will surely say that the treaty with the Indians should not be broken. I would like every member of this House to consider that statement of the old Indian chief. In 1918 the Indian Act was amended by adding subsection 3 to section 90, which gives the Superintendent General power under certain circumstances to lease the Indian lands without a surrender, and it seems to me that it could only be under the authority given here that a lease could be granted to Mr. McLean when the Indians had voted against the lease. I ask the House to note that

this power is to be used only in case the Indians are neglecting or refusing to cultivate or make use of the land, and I do not think it can be shown that the Indians were either refusing or neglecting to make use of the land in question. I wish I could show to hon. members a map of this Peigan reserve. It would show that the lease granted to Mr. McLean covers three distinct and separate parts of the reserve, about 5,000 acres in the northeast corner, 15,000 acres in the southeast corner and approximately 1,900 acres in the southwest corner, and covers altogether 22,560 acres. The original area of this reserve was 116,000 acres, but the Indians surrendered for sale in 1919, 22,000 acres, and there has been surrendered, for railway right of way 775 acres, leaving the Indians now 92,000 acres. From that 22,000 acres has been leased, which leaves the Indians a total of 70,000 acres. As I have already pointed out, the lease covers three separate portions of the reserve. The small part of three sections in the southwest corner of this reserve was a part of the Indian stock farm, and Mr. McLean secured this part, without having to put up any fence at all. The northeast corner of the reserve, where Mr. McLean has about 5,000 acres, the Indians have always used for a winter pasture. The reserve is divided almost equally into two parts by the Canadian Pacific Railway and Old Man river, running diagonally across the reserve. The Indian homes are nearly all on the north side of the railway. The Indians took their cattle over to the north side of the railway in the wintertime, and in the past they have always used a portion of the northeast corner of the reserve for a winter pasture. Under the terms of this lease Mr. McLean has secured practically all of this corner of the reserve and he has fenced this part of his lease thus shutting out the Indian cattle from their winter pasture. This winter a large number of the Indian cattle when turned out drifted down the long narrow strip of land which was left between the railway right of way and Mr. McLean's fence, and a great number of them drifted off the reserve. The Indian chief told me that Mr. McLean and his man, the Indian chief, and the stock man on the reserve spent over a day gathering cattle and placing them across on the north side of the river. The Indians claimed that if they had had a hard winter this year many of their cattle would have died because they would have had no winter pasture for them. Not only did the Indians use this for a winter pasture, but I find that an Indian widow and her son had their home within the part fenced off by Mr. McLean. I would like to read to the House a letter which I have received from this widow dated April 20, and reads in part:

> Then Mr. Webb, a Mounted Police came in and he repeated the same old story to me. He claims that the Indian agent told him to come down to my house and order me out of the leased land, and he also suggested to me that the department wrote to the Indian agent for me to move away from my land.
>
> My answer to Mr. Webb was, "I am not willing to move away, this is my house and I have been living here for last fourteen years. The lease is not granted by the Peigan Indian Act". After all this Mr. Weeb told me to write to the department and make the following statement, so that I will know from the department if it is so that I have to move away or not.
>
> The police told me that he will give me three weeks from the said date to move away.

I want to point out that this is the result of leasing land against the vote of the Indians. I think it is a shame in this country when we come to the point where the mounted police are used by the Indian agent to force Indian widows off their land. I took this letter to the Superintendent General and he was good enough to wire instructions to the Indian agent at Brocket, that this woman was not to be disturbed in possession of her property at the present time. But I also desire to point out that so long as this lease is persisted in this widow is liable to this kind of persecution. I have in my hand a statement given to me by the son of this widow when I was in Macleod last winter. This Indian cannot write English, but this is his story as near as I could put it on paper:

> This Indian lives with his mother, the widow of Seth Plain Eagle. His mother has lived in their present location for fourteen years. Their buildings and little farm are included in the part of the lease which Mr. McLean has fenced.
>
> Some time last summer he was given a cheque for $40.00 by the Indian Agent to pay him for his oats and pasture fence. The Agent also offered his mother $70.00 to move out of her home. He was out haying last summer and fall, living in a tent, and he states that he was told by the Agent that he must not go back to their old home, although he was living there when Mr. McLean put up his fence.
>
> His mother is very anxious to stay at her present home. She has a house, root-house and a log stable, for which she has been offered $70.00, but she has refused to accept this amount.
>
> At the time this statement was made, these people were still living in a tent, as they were afraid to go back to their home. The weather shortly before had been very severe, the temperature being about forty below zero.

This Indian asked me whether I thought he could go back to his home, and I told him I certainly thought he could in spite of the Indian agent. Under our treaty with the Indians we promised to send them agents to advise and protect them against unscrupulous white men, but I am afraid in some cases the Indian agent has only delivered them into the hands of unscrupulous white

men. I should like to emphasize at this point that, in face of the statement which I have made and which, I think, cannot be disputed, in regard to this part of the reserve which has been used by the Indians for a winter pasture, I do not think it can be contended in any court of law that the Indians were neglecting or refusing to use the land, particularly as a widow and her son were living in that area. In addition to that, there are ten or twelve families living on the southeast side of the river within a very few rods, in some cases, of this fence, who used this particular piece of land all the time for their pasture. They are now shut in a narrow strip of land between Mr. McLean's fence and the river. It is no wonder that these people feel very keenly about this lease being granted and insist upon their rights being restored to them.

Mr. HOEY: How many Indians are on that particular reserve?

Mr. STEWART (Argenteuil): There are 383 all told, men, women and children.

Mr. COOTE: One other reason why the Indians object so strongly to this lease is because of a very unfortunate experience which they had under a lease some years ago which had been given to Mr. Maunsell. That lease ran for a period of seventeen years from 1902 to 1919. During this time Mr. Maunsell ran as many as 2,000 head of cattle, possibly more, over the reserve. I have been unable to secure definite information on that point.

Mr. STEWART (Argenteuil): About 2,500.

Mr. COOTE: So many cattle were grazed on the reserve that during the dry years of 1918 and 1919 the pasture was completely eaten off and the Indians were not able to put up any hay on this reserve, with the result that they were compelled to sell a large number of the Indian cattle. They also spent a large sum of money for feed. They incurred expense putting up hay on the Hobema reserve and shipping it to this reserve. Although they received from Mr. Maunsell in those seventeen years only $19,991, they paid out for feed in the winter of 1919, $13,480, and in the winter of 1920, $30,126, or a total of $42,606. I cannot help thinking that if the reserve had been kept for the Indians, instead of Mr. Maunsell being allowed to have all those cattle on it, sufficient hay could be put up on the reserve to take care of the Indian cattle. One of the most unfortunate features about their experience was that in 1920 they lost, apparently from starvation, 475 head of cattle. There were on the reserve at the end of the fiscal year 1920, 1,610 head of cattle. At the end of the following year there were only 968, leaving 642 to be accounted for. There were 78 sold during that year and a total killed of 89, leaving, as I have already said, 475 unaccounted for, which apparently died of starvation. In view of the very unfortunate experience which these Indians had under the Maunsell lease, surely the members of this committee and the Superintendent General cannot wonder that the Peigan Indians voted against giving a lease of 22,000 acres to Mr. McLean. I should like you to imagine the feeling of the Indians after this unfortunate experience, to see this lease granted against their wishes. If it were not for taking up so much time, I should like to give the committee the statements that several Indians gave me in regard to this matter, but I am going to forbear. I should like to give the committee the statements of the head chief, Big Swan. He said that prior to this hard winter he had 300 head of cattle of his own. He sold 75 head and he paid out $2,000 himself for feed, and that after the winter was over he had 75 head of cattle left. His stock has now increased to 175, and I should like the committee to imagine the feelings of this Indian chief this winter when he finds the winter pasture fenced off and he is not allowed to pasture his cattle on Indian land. As long as this lease is persisted in, I am afraid the Indians will not be given a fair chance. I am informed that many of the Indian cows have been killed this year for beef, although there were plenty of steers on the reserve. I have also been informed lately that the agent has speyed some of the Indian heifers, apparently with the idea of keeping down the number of stock which the Indians have, so that he will be justified in recommending the lease to Mr. McLean.

Mr. STEWART (Argenteuil): Where did my hon. friend get that information?

Mr. COOTE: I got it directly from the reserve. This is only information which has come to me. I should like the Superintendent General to ask the Indian agent for an affidavit as to whether he has speyed Indian heifers or not. My reason for not giving the names is that the Indians say: We are at the mercy of the Indian agent, and if we write you and give our names, you can easily see that we are liable to persecution by the agent. I was told that the statement was in a Calgary paper that the Indian Commis-

sioner had said that he was going to try to ship some of the Indian riding ponies east to sell them because of lack of feeding ground.

Mr. STEWART (Argenteuil): Not the ponies on that reserve or near it.

Mr. COOTE: Before I leave this phase of the matter, I should like to suggest to the Superintendent General that what he should do for the Peigan reserve is to purchase some more cattle for the Indians. The Peigan Indians have a band fund of over $100,000, and if there is room for more cattle on the reserve, the cattle should belong to the Indians and not to outside parties. One other reason I would advance why in my opinion this lease is not in the interests of the Indians is that it is for a term of ten years at a rental of only six cents per acre. I am confident that if leased by public tender the land would bring three or four times the amount, and I have been assured by ranchers living in the vicinity that it is easily worth the higher figure. Under our homestead regulations, a man proving up a homestead with cattle must have at least sixteen head after the second year, or ten acres to each animal. On the same basis it will be found that Mr. McLean will be pasturing his cattle for sixty cents per head per annum. I think that is a pretty nice snap for the man who holds the lease. Under these circumstances. I do not see how the lease can be held to be in the interests of the Indians; and if it is not in their interests, I fail to see why it should ever have been granted.

Now, Mr. Chairman, I have tried to cover the ground as quickly as possible, but before concluding I wish to give to the committee a few brief quotations from certain of our prominent public men with respect to the spirit in which we should regard our treaty obligations. The hon. Minister of Justice (Mr. Lapointe) in referring to a statement made by the hon. member for Centre Winnipeg (Mr Woodsworth) thus expressed himself on February 18, 1925:

> I heard an hon. member say the other day, speaking, I believe, of the suggested law concerning the eight-hour day, and evidently being impatient of the obstacle put in the way of that enactment in the difficulty of knowing the respective fields of jurisdiction on the part of the Dominion and the provinces—I heard him say, "Well, where there is a will there is a way." I was surprised at that statement. That was the spirit which inspired the invaders of Belgium in 1914, and the world was precipitated in a sea of blood. Surely the British North America Act cannot be made a scrap of paper—

The CHAIRMAN: Will the hon. member indicate how that quotation is relevant to this item?

Mr. COOTE: Yes, Mr. Chairman. The treaty I have been speaking about was made between Canada and the Indians; that treaty, I submit, has been violated by the action of the Superintendent General in granting this lease, and therefore it seems to me that the remarks I am quoting are strictly applicable.

The CHAIRMAN: Not in Supply, when the question is limited to whether it is expedient that the item should be passed. Of course, in a general debate, such as that on the Address, ample latitude would be afforded the hon. member for such quotations.

Mr. COOTE: I bow to your ruling, Mr. Chairman. One of the Indians of the Peigan band, a returned man who fought in France, wrote a letter to the Calgary Herald on this subject, and I quote a dozen lines from it:

> These Indian reserves were set aside for us by our representatives in 1877, forever, and that treaty should be held just as sacred as the treaty which made us send our sons to a foreign soil to help fight one of the biggest and best-equipped war machines that ever infested Europe. Former Canadian premiers have always impressed on the minds of the Indians that these reserves were the property of the Indians, and that they cannot be sold or occupied without the Indians' consent.

I have several other quotations from letters written by Indians, but I will forbear reading them lest you might wish to rule me out of order, Mr. Chairman.

The CHAIRMAN: I do not wish to rule the hon. member out of order, but general statements of the type he quoted first are not considered in Supply as being relevant. This has always been the practice. The last quotation read was directly applicable to the vote.

Mr. COOTE: The Calgary Herald last winter—I have not the exact date—contained an editorial, the last paragraph of which, I think, is well worth bringing to the attention of hon. members:

> Treatment of its Indian wards has long been a scandal in United States politics. Such exploiting as has been shown to exist across the border must never be even hinted at in Canada. Treaties made with the Indians of the Dominion are as sacred as treaties made between nations. The self-respect of Canadians demands that these treaties shall be honoured in letter as well as in spirit to their last word.

Before I sit down I would again urge the Superintendent General to cancel this lease. I think it is quite probable that with all the affairs of the Indians and of the other branches of his department to take care of, he may not have realized at the time the lease was granted just what far-reaching effects it would have and to what extent it was a violation of the treaty entered into by this country with the Indian band. But if he persists in continuing granting the lease in violation of the treaty

I would suggest that the least he could do would be to transfer the lease to that part of the reserve which lies on the north side of the river. Part of the land over there, which was surrendered by the Indians years ago, is unsold and lying, practically idle. I think the consent of the Indians could be easily secured to leasing this part of the reserve. In my opinion it is most unfair to ask the Indians to give up their land which lies close to their camp, the land which they are entitled to use, and compel them to drive their stock over to the north side of the river. As no doubt the Superintendent General knows, the Old Man river at that point is very hard to cross and there are only a few places where it can be forded. I think it was very unfortunate that the department did not in the first instance deal with that part of the reserve on the north side of the river, if they were determined to grant a lease. Again I appeal to the Superintendent General to do the right and fair thing with these Indians and so convince them of Canada's good faith. Putting the matter on the lowest plane, surely the amount involved is not worth violating the treaty for and arousing distrust and resentment among the Indians. The head chief of the Peigan Indians is a reasonable man and I think all the circumstances of the case go to show that a grave mistake has been made. I do not think that the Superintendent General will be dealing fairly with the Indians or with the country itself if this lease is not cancelled and the prayer of the Indian petition granted.

Mr. STEWART (Argenteuil): The hon. member (Mr. Coote) has dealt at some length with the Indian Act and with the treaty with respect to Indians, and I will say at once that it is the duty of the administrators who come in contact with the Indians to pay particular attention to that phase of administration. However, there do come times when it is difficult to carry on owing to the attitude that the Indians take on certain matters. With respect to this particular lease, what the hon. member has said is largely true: we leave the administration of affairs in western Canada to the commissioner at Regina, who is an efficient officer, who has done good work, but who, like all of us, sometimes errs in judgment. But let me briefly recite the history in respect to this reserve.

The Peigan reserve lies along the railway in the Crowsnest pass district west of Macleod. There was a lease upon this reserve for a great many years held by Mr. Maunsell, a much respected rancher in the town of Macleod. During the very dry years prior to 1920 the land was overstocked and the pasturage was thin. But that was not altogether the cause of the loss of cattle that winter and the necessity for buying food, every farmer in Alberta suffered the loss of stock. At any rate, because of the short grass and the severe winter the Indians and the ranchers lost very heavily. Up to that time such cattle as the Indians had were taken care of in herds by cowboys hired by the department, and that is something I am determined to put a stop to. It seems a ridiculous thing that the Indians, who are good riders, are not charged with the responsibility of taking care of their cattle. My hon. friend speaks of Philip Big Swan, a very good Indian on this reserve, but what he says in that respect is not true of the Indians generally; they were in the habit of allowing the white men to herd their cattle while they paid little or no attention to them during the winter. We are gradually encouraging the Indians to become responsible for a certain number of cattle themselves and to become more self-dependent than they have have been in the past. One of the chief difficulties in respect to this whole matter is this: that after the expiry of the Maunsell lease the grass grew up on this reserve and free pasturage was in vogue for all those surrounding the reserve. My hon. friend speaks of the territory that was sold off the reserve. Although this land was surrendered by the band for sale it is still there as vacant land and may be used by the members of the band or anybody else. That does not take away from the reserve a very considerable acreage, but that is where a large part of this agitation arose. With regard to this vote I owe an apology to the committee; in the statement which I made I had in mind another lease on the Blood Indian Reserve of 150,000 acres to ranchers who occupy that area with sheep. When the question was put to me I confused the one lease with the other. As a matter of fact I did not know definitely at that time that the Indians were taking such strong ground with respect to this lease. As to the lease to McLean, he had that some years ago —in the southwest corner of the reserve, separated by a considerable distance from the other area, which is on the eastern side of the reserve and running from the railway to its southern boundary. The portion of the lease with regard to which there has been so much controversy is the small portion east of the railway track running almost to the river bed. There were a few Indians residing there—and I want to deal particularly with the pathetic case mentioned by my hon. friend. These Indians all moved out upon an agreement and upon the payment of certain sums of money, except this widow and her son. She accepted

$45, not for the destruction of her home or property but for the purpose of moving out, and then she refused to move out. Subsequently she accepted $150—not, again for the destruction of her home at all but simply in order that she might not be inconvenienced by the occupancy of that particular territory. She and her son will not be deprived of their property; in fact, in most cases they come back and live on these places after all. That is the history of the moving of the Indians. But it was felt that as we have to provide schools at the expense of the taxpayers of Canada, and as we have various other expenses,—and these Indians are not impoverished by any means, the hon. member points out that they have a considerable sum in their trust fund—it was felt that some revenue should be got from this lease. While not so many cattle as are now on this area under the lease would otherwise be there, a great number indeed would be on the reserve in any case, having free pasturage. All the leases for the grazing of cattle on the Indian reserve are given at six cents an acre while those for grazing sheep are given at ten cents an acre.

Mr. SPENCER: Why the difference?

Mr. STEWART (Argenteuil): A lease that is given for sheep is more valuable; you get more money out of it and you can afford to pay more. Moreover, the sheep are more destructive; they graze more closely and destroy the lease very much quicker than the cattle would. The leasing of 150,000 acres of the Blood Indian reserve for that purpose brings in a considerable revenue to the Indians. Not only that, but the Peigan lessee paid $1,800 to the Indians, at the rate of $5 a ton, for the putting up of hay, and besides, the man who looked after the stock assisted also in looking after the Indians' stock. There are 1,700 head of cattle belonging to the Indians in this large area of land. On this reserve, as well as on any other, when the Indians are found to have sufficient stock to occupy the whole of their territory I would cancel the lease over night. I see no reason why the Indians should not be encouraged to take care of their own cattle, and when they show a disposition to do so I am ready to spend public funds, if no band funds are available, to purchase stock for them. The Indians should make a much greater success as stock men than as agriculturists, although we are trying to teach them agriculture as well. Only 2,877 acres are under cultivation on this whole huge reserve, and there are 385 souls on it, all told. We are not making much of a success in getting the Indians on that reserve to cultivate their land; but we are making some progress in encouraging them to care for their stock. My hon. friend refers to the winter pasture. It is to be remembered that the location of the Indians is some miles away from the winter pasture; all the way down the valley from the location of the Indians' homes on the north side of the railway is winter pasture. While last winter was a rather mild winter, I venture to say that the Indians lost fewer cattle during that period than they ever did before; at least that is the report I get from the reserve itself. I am not telling of this in any attempt to justify the breaking of an Indian treaty. I am not making a defence of that sort, but I do want to point out, just as I pointed out in my letter, that once in a while, if we are going to act in the best interests of the Indians we have to take what may seem like somewhat drastic action.

With reference to the ponies my hon. friend referred to, I want to point out that the ponies are roaming east of the Galician reserve, and they are a regular menace to the country. If we ordered them slaughtered there would be an awful row about that, but the best thing that could be done would be to destroy them. They are eating up the grass on the ranches, and are of no value for sale purposes. Anyone in the vicinity knows that it is difficult to sell a work horse, let alone a pony. These ponies are off the reserve, and as I say, have become a menace.

Let me say with respect to this lease or any other lease, I am prepared to lend every encouragement, I would even go so far as to recommend loaning to the Indians the funds of the government for the purpose of purchasing stock if they would take care of them.

With reference to statements made by people off the reserves, one of the biggest difficulties we have to contend with is that a few busy gentlemen, largely in the legal profession, make it their business to make a living off these Indians by fomenting grievances. That is a statement I can substantiate by a dozen different cases.

Mr. COOTE: The minister would not apply that to Mr. Fawcett who had been mayor of Macleod, and a highly respected gentleman.

Mr. STEWART (Argenteuil): I quite agree with my hon. friend, but all through the country one of the biggest difficulties we have is this fomenting of supposed grievances. The Indian loves to get legal advice. I do not know any white man who is so fond of

taking legal advice as the Indian. He excels his white brother altogether in that line, and very frequently the Indian does not get good advice. I am not saying that perhaps we have not taken what may seem like drastic action, but I do not think anyone who has lived and dealt with me would say that by disposition or otherwise I would want to coerce or drive anyone into a corner. There are times, however, when in the best interests of these wards of the government, you have to take what may seem at the time drastic action. I think the plains Indians are making splendid progress. I see evidence of it on every hand, and I do think the administration of Mr. Graham has been good administration in that direction. I think we will have a great number of them on the Galician reserve, and on the Blood reserve, where they raised 300,000 bushels of grain last year where very little was raised four or five years ago. The administration of Mr. Faunt, the local agent, has brought about that result. I had to go to the Blood reserve on one occasion accompanied by the deputy superintendent to prevent what looked likely to develop into bloodshed, but after we had spent a day with the chiefs of the band and discussed the matter, we have never had a single bit of disturbance on that reserve since. The trouble arose over supposed injuries; meetings were held, the discontent fomented, and an agitation worked up that eventually forced me to visit the reserve in the interests of the Indians and of the department.

So far as the Peigan reserve is concerned, I have discussed this matter with Chief Big Swan. I pointed out to him that if they had sufficient cattle I would cancel the lease at once, but that the lease was not going to do them any particular damage, and he said it was the principle of the thing he was objecting to, and he was going to keep on objecting to it. That was the statement that he made to me on that occasion. At that time I had Mr. Graham go down there and make a special investigation on his own behalf. He did so, and reported that so far as he could see, the lease from the standpoint of the reserve and the interests of the Indians was a benefit, inasmuch as it brought in $1,300 a year, which, as my hon. friend says, is a small amount, but nevertheless it does help them materially. The cattle on the reserve, some 1,700 head, my hon. friend will readily recognize, have ample grazing territory, in fact, there is grazing for three or four times that number outside altogether of the land that is leased.

[Mr. C. A. Stewart.]

I will say this, however, to my hon. friend. So much agitation has been created over this matter that as soon as I reach Alberta, which I hope will be within a few days, seven or eight days at the most, I am going to Macleod and shall go on the Peigan reserve and meet the chiefs and discuss this matter with them; and if the grievances are there which they claim exist I shall arrange for the cancelling of the lease. I cannot say anything more in connection with the matter.

Mr. MEIGHEN: Would there not be another solution perhaps that would be more worthy of consideration? As I understand the argument presented, it mainly goes to show, not that the lease should be cancelled, but that a portion of the land should be taken out of the lease, some special portion near to the railway.

Mr. STEWART (Argenteuil): That is, between the railway track and the river? That might solve the whole difficulty. However, I intend to go there myself and make a special investigation.

Mr. COOTE: I want to point out one thing that came to my mind during the minister's remarks. I think it is very wrong on the part of the department to lease Indian lands at six cents per acre. Some of this land on the Peigan reserve is worth twice as much as the land at the north end of the Blood reserve.

Mr. STEWART (Argenteuil): My hon. friend is entirely mistaken, athough he is a rancher. I have been on both reserves, and I disagree with him entirely. There is no better grazing territory in western Canada than is to be found on the northern end of the Blood reserve, surrounded by the St. Mary and Belly Rivers. It is the finest grazing land in western Canada.

Mr. COOTE: I disagree with the minister, and if he will come up to the Porcupine hills district I will show him grazing land that is three times as valuable as the land at the north end of the Blood reserve. At the north end of the reserve the grass is pretty short in these semi-dry areas. What the Indians particularly complain about is that they want part of the land for winter pasture.

I regret very much that the minister seems determined to persist in the violation of Indian treaties. It is certainly not necessary. The consent of the Indians could have been obtained to a reasonable lease on this reserve, but this lease is unreasonable in that it covers three separate pieces of the reserve and this part that is so necessary to the Indians

On the face of it, that looks suspicious. I have not before referred to the fact that the lessee in this case is a very good friend of the Superintendent General, and in a case of that kind the superintendent should be like Caesar's wife, above suspicion. The ranchers in the vicinity of this reserve look upon this lease which has been granted as a very nice plum indeed. That portion of the lease covering the southeast corner of the reserve is of itself easily worth more than we are getting out of the entire lease. There is no question about that in my mind, or in the mind of anybody who lives in that vicinity, and if tenders were called for more than twice this amount would be paid by anyone to get just the southeast corner.

In regard to getting the Indians to use this land, I was told by Indians on the reserve that there are a lot of horses there that should be broken and put to work, but that the agent refuses to give them to the Indians; he will only sell them to them. We have educated these young Indians in industrial schools, and then we turn them loose on the reserves—

Mr. STEWART (Argenteuil): I cannot allow my hon. friend to make a statement of that sort. Where does he get that information?

Mr. COOTE: I have the letters here.

Mr. STEWART (Argenteuil): I do not care how many letters you have. A statement of that kind is absolutely untrue because we buy horses for the Indians. If there are horses on the reserve it would be absurd to suggest that they could not be used.

Mr. COOTE: There are plenty of good Clydesdale mares on the Peigan reserve bought years ago and a lot of colts have been raised. Why should not these Indians be given horses and encouraged to work?

Mr. STEWART (Argenteuil): Mr. Graham takes especial delight in helping these Indians, and I went so far as to have some $80,000 set aside to stop this pernicious practice that was in effect some years ago of allowing Indians to get into debt. That money was for the purpose of loaning the young Indians sufficient to buy horses and implements to start with on the land. To say that Mr. Arthur refused to assist the Indians in this matter is absurd and I could not allow a statement of that kind to be made.

Mr. COOTE: The statement was made by the Indians in their convention at Macleod.

Mr. STEWART (Argenteuil): Other statements may be true but that one cannot possibly be.

Mr. COOTE: It may not be true, and then it may be as true as the statement, which Commissioner Laird made to these Indians when the treaty was entered into. With regard to the ponies shipped, I only mentioned the matter to show that if this were true there was no pasture land to give away on the reserve. Now, it only takes four years for a herd of cattle to double itself, as the minister will agree, and if the cattle of the Indians were well cared for in the next ten years they would have a great increase which could be accommodated on that reserve.

Mr. STEWART (Argenteuil): I hope they will make good, and I may say that there will be no lease on that or any other reserve so long as the Indians occupy the land.

Mr. COOTE: Will the minister say that he will not grant any lease of lands against the vote of the band if they were told when entering into a treaty that the lands would not be leased without their consent?

Mr. STEWART (Argenteuil): No lease will be given of any reserve that is occupied.

Mr. GARLAND (Bow River): What is the present situation on the Blackfoot reserve with regard to the dispute over the alleged incompetency of Water Chief? Is he to remain chief of the band? I wrote to the department some time ago respecting this matter, stating that the Indians themselves had written me requesting that their appointee, Little Water, should be made their chief. Some dissatisfaction was expressed with the reply received from the department. What is the present state of the case?

Mr. STEWART (Argenteuil): Speaking from memory, I can say that we ordered an investigation into that complaint so that we might have all the facts before us before taking any action.

Item agreed to.

British Columbia, $303,990.

Mr. MEIGHEN: What is the present position of this long standing controversy over the title to Indian lands in British Columbia? Is the government standing in the way of the submission of the matter to the Privy Council? What I understand is this—and I know it has been the case for some time—that the Indians and those representing them have been anxious to obtain the decision of the Privy Council. I do not see any reason why

they should not have that decision. Why is it that they have not been able to get it?

Mr. STEWART (Argenteuil): Conferences have been held in the past two or three years with the Indians. My hon. friend will remember that the McKenna-McBride agreement with respect to land has been carried out. We did not entirely satisfy the Indians or their representatives in the allocation of lands, but inasmuch as the provincial government were threatening to cancel the arrangement altogether if we did not take action we thought it well to do something, and the matter between the two governments is settled, although I am bound to say not to the entire satisfaction of the Indians. Regarding the controversy over the aboriginal title, I have been trying for the past three years to find out just what the Indians mean by this. Do they lay claim to all lands in British Columbia in view of the fact that in ninety per cent of the cases no treaty had been signed between the tribes and representatives of the crown? After a great deal of discussion I found that they did not lay claim to the land in its entirety, but they do say that before an adjustment can take place they should have certain specified and unspecified provisions made for them by the government of Canada. This is all so vague and difficult of understanding that it is very hard to arrive at any concrete definition of what their claims are. On behalf of the government I have informed them that we are prepared to do for them everything that was done for treaty Indians in any other part of Canada. As a matter of fact we are giving them the same consideration as we have given every other Indian in Canada. Still that does not seem to be enough; certain claims are made for compensation and so on. A gentleman whose name is no doubt known to most hon. members, Mr. O'Meara, spends his whole time investigating this very vexed question and preparing briefs for consideration. My hon. friend says, why not send it to the Privy Council?

Mr. MEIGHEN: Why do you not let them take it?

Mr. STEWART (Argenteuil): They want the government of Canada to pay their expenses.

Mr. MEIGHEN: Oh, I see.

Mr. STEWART (Argenteuil): I must confess that I do not see very much hope. I have joined with me in the investigation the Speaker of the Senate and the Minister of Public Works (Mr. King, Kootenay) in an endeavour to see whether or not we can get on common ground. We have asked the Indians to prepare a brief and they have done so. Their representatives were here some months ago and the deputy superintendent general is now getting ready a brief in reply to theirs. But one of the difficulties we have to meet is the vagueness of their demands. I defy anyone to get them down to a concrete basis as, for example, so much for education, so much for relief and so forth. That is one great difficulty and it looks hopeless to me. I believe the Privy Council would only come to one decision. They are quite likely to follow precedent and to say to the Indians, "You are entitled to the same consideration as has been given other tribes throughout Canada." That the government is prepared to give them, and for the life of me I do not know what to recommend. It seems to be an unending difficulty, and I do not see that the government would be warranted in paying expenses of representatives of the Indians to go over and argue the case before the Privy Council unless we have something very concrete presented to us.

Mr. MEIGHEN: Then you would be quite willing that they should get a fiat and let them go over?

Mr. STEWART (Argenteuil): Oh yes, if they wanted to.

Item agreed to.

Indian affairs—salaries, $167,570.

Mr. MEIGHEN: There is a decrease of a thousand dollars.

Mr. STEWART (Argenteuil): The personnel has been reduced by two and the only other difference is the statutory increase.

Item agreed to.

Nova Scotia—Repairs to roads and dyking, further amount required, $2,500.

Mr. MEIGHEN: Is it worth while going on with that now?

Mr. STEWART (Argenteuil): The change of government does not make any difference so far as that is concerned.

Item agreed to.

Ontario and Quebec—repairs to roads and bridges and drainage, further amount required, $32,000.

Relief, medical attendance and medicines, further amount required, $450.

Mr. MEIGHEN: Why is this reserved for the supplementary estimates?

Mr. STEWART (Argenteuil): We have a number of cases where the provinces are building those roads, and we did not know

we were to be charged with these amounts. We are contributing to the roads through the reserves and the provinces are contributing a part. In some cases we pay all of it, and in other cases only part of it, so that a number of these could not be put in after the estimates were prepared.

Mr. MEIGHEN: Where is it to be spent?

Mr. STEWART (Argenteuil): We will spend $5,000 in the Maniwaki district.

Mr. MEIGHEN: That is in Ontario and Quebec.

Mr. STEWART (Argenteuil): Yes. And we have to purchase seed grain and medicine. There is an expensive road put through the Caughnawaga reserve going into Montreal. We have an expenditure of $15,000 there.

Mr. MEIGHEN: We cannot refuse anything there.

Mr. STEWART (Argenteuil): It is a very important road.

Item agreed to.

Post Office Outside Service—	
Salaries and allowances including F. H. Smith, postmaster, Edmonton, at his present salary of $4,020 a year as Post Office Inspector..	$15,458,584 40
Mail Service..	14,580,000 00
Miscellaneous, including Lucien Pacaud, secretary of the High Commissioner's Office, as the representative of the Canadian government on the Pacific Cable Board at $1,000; $5,000 for the payment of compassionate allowances to employees injured while in the performance of their duties or to dependents of employees killed while on duty, such payments to be made only on the specific authority of the Governor in Council; and $500 for payments to employees required to work overtime checking incoming and outgoing British mails at steamship terminals..	1,051,050 00
Yukon Territory..	165,000 00
Appropriations not required for 1925-26.	
	$31,254,634 40

Hon. CHARLES MURPHY (Postmaster General): There are four principal items included in this vote. Two of the items, namely that relating to mail service and that relating to the Yukon territory, are the same amounts as last year. Then there were two amounts given as increases, namely one of $30,000 and one of $1,641,400. Without an explanation these would be misleading to the committee. The item of $30,000 relates to the new West Indies cable. That item replaces another item that used to appear in the estimates of the Trade and Commerce department for the payment that that department made to the West Indies and Panama Telegraph Company. Last year an arrangement was made by which the item was dropped from the Department of Trade and Commerce estimates, and by virtue of an act passed by the British government relating to the construction of the West India cable the assumption of another amount, in lieu of the one formerly paid by the Department of Trade and Commerce, was taken over by the Post Office Department. Under the West India Island Telegraph Act of 1924 the British government was empowered to advance funds not exceeding £400,000 to defray the cost of a cable to Turk's island, with extensions to Trinidad and British Guiana, and wireless telegraph communication between the Barbadoes, Windward islands and Leeward islands. The works authorized by that act were carried out, and cables laid, and operations commenced in October, 1924. Canada's interest in the new cable is eighty two hundred and sixty-thirds; Great Britain's the same; and the West Indies the balance. Previous to that arrangement Canada subsidized the West Indies and Panama Telegraph Company towards the cost of cable communication to the West Indies to the extent of $38,000 per annum, and this was voted each year in the estimates of the Department of Trade and Commerce. It has now disappeared from the estimates of that department, and this new amount of $30,000 appears in the estimates of the Post Office Department for the first time by virtue of Canada's interest in this new cable, and as covering the amount of Canada's share as determined by the British Government. The other increase of $1,641,400 is in connection with salaries and allowances. The amount itself was arrived at in the following manner:

Statutory increases..	$ 239,940
New apointments..	68,880
Salary revision, which combines former bonus with salary..	1,587,640
Total..	$1,896,460
From which there is to be deducted an amount relating to positions dropped and to difference between salaries of employees promoted or who have left the service and salaries of employees who have replaced them, generally at the minimum..	255,060
Leaving a balance of..	$1,641,400

This apparent increase in salaries is not an actual increase in expenditures, as will be seen by reference to the item on page 64 of the printed estimates where a note explaining this item reads:

Owing to salary revision by the Civil Service Commission, which has in effect combined bonus with salary, this year's Post Office estimates include an amount which was formerly provided in a general vote for bonus.

Post Office estimates, 1914-25.		$29,586,118 94
Bonus paid from the general vote, 1923-24, (the last fiscal year the bonus was operative)..	1,957,089 00	
		$31,543,207 94
Post Office estimates, 1925-26..		31,254,634 40
Reduction..		$ 288,573 54

That explanation is necessary in order to understand what would otherwise appear to be an actual increase.

Mr. BROWN: I was going to call the minister's attention to a little incident I witnessed a month or so ago. We had a discussion in the House on the question of mail carried by the Canadian Pacific and the Canadian National. The incident was this. I was down the Ottawa river on the north shore as far as Lochaber bay, and while waiting for the train there I saw a train going into Rockland on the Canadian National. Just at the same time there came a ferry across the river and I saw a man carrying a big mail bag, all he could lug on his back. I went over to see what was in it. It was a large sack of empty mail bags brought across from Rockland on the ferry to Lochaber bay and sent in to Ottawa on the Canadian Pacific. This may be a small thing, but it is these small things that count. I do not see why such expense should be gone to in carrying mail bags into Ottawa. I do not blame the minister for that in particular, but there is surely some laxity in the department somewhere when an incident of that kind can happen.

Mr. MURPHY: I have no information regarding the particular incident to which the hon. member refers, but as he says that the package was made up entirely of empty mail bags, that reminds me of a trifling saving of $157,000 or so we have made in the department, which I probably would not have thought of if the hon. gentleman had not drawn the matter to my attention. Mail bags are held in cheap estimation and are regarded as being of little account, but just the same they cost money. An effort has been made to save the country a considerable sum of money in the purchase of material for the bags and the manufacture of the bags. This system has been devised. Instead of leaving the bags to be scattered all around the country to be used for the storage of potatoes or the transportation of anything else that needs transportation and for which another bag is not available, storage depots have been established in different parts of the Dominion with the result—and I am now speaking as to the figures altogether from memory—that last year, the first year this system was in operation, we saved about $157,000 in connection with the purchase of material and manufacture of mail bags. It may be that this package of mail bags which my hon. friend saw, was being transferred in the way he says because of the operation of this new system and has no reference to the carriage of the mails or the ordinary operation of the postal service.

Mr. ROSS (Kingston). Whose function is it to grade the post offices throughout the Dominion according to which grades the salaries are paid?

Mr. MURPHY: I understand it is the function of the Civil Service Commission.

Mr. ROSS (Kingston): I know the minister has always a good warm spot in his heart to see that all his employees are fairly treated. That is his history in the past, and I know from experience it is his attitude now. In my opinion, there is too great a discrimination between the pay of clerks from grade seven up and those under grade seven. The maximum of clerks in grades under seven is $1,560, while the maximum of those from grade seven up is $1,680. But that does not indicate so much the discrimination or the hardship, as will be seen by comparing the increases. The increase in grade seven up is $180, while in grades below seven it is only $60. That looks like too big a difference. I should like also to point out that in no other part of the service is such a discrimination shown. No such discrimination exists as regards the railway mail clerks or the letter carriers. They are all treated alike. Further, the work is not of such great difference as to justify this discrimination. The hours of a clerk in grades under seven are just as long and he is, perhaps, expected to be a little bit more acquainted with the work than is the case with the higher grade officers. For these reasons, I should like the minister to take into consideration this discrimination. If there is no discrimination as regards railway mail clerks, letter carriers and senior postal clerks, I fail to see why there should be such a discrimination against employees under grade seven.

Mr. MURPHY: The point taken by my hon. friend is well taken. As a matter of fact, this very question is at the moment under

discussion with the Civil Service Commission. I may explain that the condition to which he has referred prevails as the result of a note attached to the classification that was made last year. The note reads:

Note 1. Postal clerks in post offices under grade seven and those in other offices engaged in dead letter, money order or postage stamp work shall not proceed beyond a salary of $1,560 per annum.

At the present moment the department is in touch with the Civil Service Commission discussing the elimination of that note, and I am informed that its elimination will bring about the very result that my hon. friend desires.

Mr. NEILL: Mr. Chairman, I did not hear the earlier remarks of the minister, and I do not know whether he touched on the Pacific Cable board, but I should like to bring one phase of its operations before him. I understand that the cable between Australia, New Zealand and Canada is owned and operated by a company, the stock being put up jointly by those countries and Britain. If I am not mistaken—the minister will correct me—Canada owns five-eighteenths, or something like that, of the share capital. Of course, the board employs a large number of telegraphists. It appears there is a training school for them in England and another in Australia, but there is none in Canada. The result is, of course, that the young fellows entering the service from England and Australia largely predominate over those from Canada. I understand that the board is making a considerable profit in its operations, but apart from that, it is only just and proper that we should have our share of the employees. I had some correspondence with Mr. Pacaud, our representative on the board—he has proved himself a most diligent official and took a great interest in the subject—and through his energy I was able to get four Canadians put on as apprentices. But there are no facilities for training them in Canada, and the situation ought to be met by establishing a training school here. I hope the minister will take the matter into consideration and try to induce the board to establish such a school in the Dominion so that we will have our fair share of employment along with the other two countries.

Mr. MURPHY: I must express my thanks, Mr. Chairman, to the hon. gentleman for bringing this matter to my attention. Of late I have been having a good deal of correspondence with the Pacific Cable board, and most of it has passed through the hands of Mr. Pacaud, and what the hon. gentleman says in commendation of this official I heartily endorse. I am entirely in sympathy with the suggestion made, and it will be one of the first matters to which I shall direct my personal attention after prorogation.

Item agreed to.

Mail subsidies and steamship subventions—Dalhousie, N.B., and Carleton, Que., service between, $1,000.

Sir HENRY DRAYTON: I think, Mr. Chairman, the minister should tell us something about this. We thought we had covered every possible subsidy. How is it this came to be overlooked? Is it a new service—who are the contractors—and what is the necessity?

Hon. T. A. LOW (Minister of Trade and Commerce): This is a new service. It is proposed to make three trips daily, except Sundays, during the season of navigation, except on Tuesdays and Fridays, when only two trips will be made. The service was in operation in 1923.

Sir HENRY DRAYTON: What is the idea of taking it up again?

Mr. LOW: It is needed.

Sir HENRY DRAYTON: What is the recommendation?

Mr. LOW: Our inspectors report that the service is required.

Sir HENRY DRAYTON: For what? Here we are getting along without it, it is not put in the main estimates, and we now have something which in effect is new.

Mr. LOW: As I said before, this service was performed in 1923. Sixty-four trips were made and 288 passengers and 50 mail bags were carried. My hon. friend will see that it is a service of some importance.

Sir HENRY DRAYTON: If that is so, the hon. minister was quite wrong in stopping it. Or is he wrong this year?

Mr. VIEN: He is right now.

Sir HENRY DRAYTON: What representations were made last year?

Mr. LOW: Mr. Chairman, I shall ask that the item stand until my deputy comes in.

Item stands.

Newcastle, Neguac and Escuminac, calling at intermediate points in the Miramichi river and bay, steam service between—additional amount required, $500.

Mr. LOW. This is an old service. The subsidy last year was $5,000. We felt, from the returns made by the company, that there should be a reduction of $1,000, and $4,000 was placed in the main estimates but representations were subsequently made to us that it would be impossible for the contractor to

continue at that figure. So we compromised and made the reduction $500.

Sir HENRY DRAYTON: On what basis of return to the carrier is that made?

Mr. LOW: I will have to get the docket.

Sir HENRY DRAYTON: It is a small thing—let it go, Mr. Chairman.

Item agreed to.

Parrsboro, Kingsport and Wolfville, steam service between, $5,000.

Sir HENRY DRAYTON: Is this a new service again?

Mr. LOW: No. A service was operating there without a subsidy but the company refused to continue and took off their boat. We called for tenders but we received no response. This is the best arrangement we can make for a proper service. I am told there is a large tourist traffic in that district.

Sir HENRY DRAYTON: What was the name of the company that formerly operated?

Mr. LOW: It was a subsidiary of the Canadian Pacific.

Sir HENRY DRAYTON: What does the recommendation of the officer show as to traffic?

Mr. LOW: The service was not previously subsidized, so there is no record.

Item agreed to.

Rimouski and Pointe aux Outardes, service between—additional amount required, $2,500.

Sir HENRY DRAYTON: What is the reason for the increase there?

Mr. LOW: It is an entirely new boat.

Sir HENRY DRAYTON: What is the amount already paid?

Mr. LOW: It is $5,000.

Sir HENRY DRAYTON: What is the real reason for this increase of fifty per cent, aside from the persuasive eloquence of the member for the constituency?

Sir EUGENE FISET: We have this year a new boat which undertakes to carry passengers and to handle the mail contract. Besides, there is added to the contract a mail and passenger service between Rimouski, Bersimis and Pointe aux Outardes.

Sir HENRY DRAYTON: Who are the contractors?

Sir EUGENE FISET: It is a local company of which Captain Fafard is president.

[Mr. Low.]

Sir HENRY DRAYTON: Why is the fifty per cent increase necessary?

Sir EUGENE FISET: The need for the service has increased one hundred per cent.

Sir HENRY DRAYTON: When was the new boat built?

Mr. LOW: It has just been completed.

Sir HENRY DRAYTON: Was there an agreement made by the department before the new boat was built that this subsidy would be paid?

Mr. LOW: There was an undertaking that it would be considered, yes.

Sir HENRY DRAYTON: Who gave the undertaking?

Mr. LOW: The department

Sir HENRY DRAYTON: The usual excuse is that there will be a new boat if we pay the subsidy; here we have the statement that the new boat is already built. Apparently any old excuse will go.

Item agreed to.

St. John, Westport and Yarmouth, and other way ports, steam service between—additional amount required, $5,000.

Sir HENRY DRAYTON: Here is another increase; what is the reason for that?

Mr. LOW: During 1924 the loss on this service, as certified to by a chartered accountant, was shown to be $2,539.60, and the prospects during the present year are for a further loss unless additional financial assistance is granted by the government.

Sir HENRY DRAYTON: What are we paying at present under this item?

Mr. LOW: Ten thousand dollars.

Sir HENRY DRAYTON: Has the principle been established of making a fifty per cent increase in the supplementaries for these services wherever it is asked?

Mr. LOW: My hon. friend should give us credit for reducing one of them.

Sir HENRY DRAYTON: That is such a notable exception to the rule that it ought to be labelled, photographed, preserved. An amount of $10,000 was provided in the main estimates as sufficient for this service; now we are to increase it by fifty per cent. When was this demand made?

Mr. LOW: Since the main estimates were submitted to parliament.

Mr. GARDINER: Is there a contract in relation to this subsidy?

Mr. LOW: All contracts are made subject to the vote of parliament. If this vote is not passed the contract will automatically cease, and so will the service.

Mr. GARDINER: What was the date of this contract?

Mr. LOW: April 1, 1925, for one year.

Sir HENRY DRAYTON: So we have a contract made on April 1, for $10,000 and we are now increasing it to $15,000?

Mr. LOW: No, not at all. The contract is for $15,000. The amount placed in the main estimates this year was the same as last year, but it was found that the contractor would not agree to continue the service unless there was an increase of $5,000.

Sir HENRY DRAYTON: Who is the contractor?

Mr. LOW: Hugh Cann & Son, Limited, of Yarmouth.

Mr. ROSS (Kingston): What is the size of the boat?

Mr. LOW: Length, 120 feet; breadth, 25 feet; depth, 11 feet; net tonnage, 176 tons; gross tonnage, 299 tons; capacity, 350 tons.

Mr. ROSS (Kingston): When they fail to carry out these contracts, has the minister ever considered using the vessels of the merchant marine? Here is a boat sailing up to Escuminac, where you have a new harbour, a new wharf, and now you want a new boat.

Mr. LOW: I doubt whether the vessels of the merchant marine that are idle would be suitable for this service.

Mr. ROSS: (Kingston): Is not that a chronic complaint against the vessels of the merchant marine?

Mr. LOW: It may be, but it may also be true.

Item agreed to

Summerville, Burlington and Windsor, steam service between, $500.

Sir HENRY DRAYTON: Is this a new service?

Mr. LOW: Yes.

Sir HENRY DRAYTON: What is the why of that?

Mr. LOW: It is to serve the people of Burlington, Summerville, Avondale and other points, and enables them to get their produce to the market in Windsor.

Mr. ROSS (Kingston): What province is it in?

Mr. LOW: Nova Scotia.

Mr. ROSS (Kingston): Why is the amount only $500 in this case, and $5,000 in the others? Is this a smaller boat?

Mr. LOW: There is a difference in the size of the boats.

Mr. ROBINSON: I might be able to say a word or two about this service. This boat runs from Summerville, along the Hants county shore, Minas basin, the Avon river, up to Windsor and return. It serves people who are at least twelve miles from a railway, and have no other means of communication.

Mr. ROSS (Kingston): I think the hon. member must have been neglecting his constituency because only $500 is asked for this service, whereas we have just passed votes for $5,000 for similar services.

Mr. ROBINSON: This is a very small boat.

Mr. ROSS (Kingston): What size is it?

Mr. LOW: It is 92 feet long and 22 feet broad. The net tonnage is 66, and the gross 123.

Item agreed to.

Dalhousie, N.B., and Carleton, P.Q., service between, $1,000.

Mr. LOW: I shall secure the information my hon. friend wants if he will allow this item to pass.

The CHAIRMAN: Shall the item pass on that understanding.

Item agreed to.

Royal commission to inquire into the grain trade—further amount required, $3,300.

Sir HENRY DRAYTON: Does my hon. friend think the House could stand the shock of knowing just exactly what was the total cost of that commission?

Mr. LOW: It has been submitted to the House two or three times.

Sir HENRY DRAYTON: It is always growing. Here is the last growth.

Mr. LOW: If my hon. friend will turn up the records of the House, he will find the figures.

Sir HENRY DRAYTON: We have only one index, and we are always losing our index. The minister has his deputy here; surely he can tell us what the total cost was.

Mr. LOW: It was $170,000.

Sir HENRY DRAYTON: Is that really the last call?

Mr. LOW: I think so. I think it was worth while, too.

Mr. SHAW: Has any allowance been made to Chief Justice Turgeon, the chairman of the commission?

Mr. LOW: No, there has been no amount placed in the estimates for that.

Mr. SHAW: That will be quite satisfactory. Of course, he would be drawing his salary as a judge.

Mr. LAPOINTE: There have been representations made that Mr. Justice Turgeon is certainly entitled to remuneration for the splendid work he did during last year, but under the Judges' Act as amended two years ago, a judge of a high court cannot be paid any other remuneration than his salary. That is the obstacle in the way.

Mr. SHAW: That is what I had in mind. I hope the government, in view of the fact that Chief Justice Turgeon has been receiving his salary while acting as chairman of the commission, will not consider it desirable or advisable to disregard a section of the statute in order to pay him any sum of money.

Mr. GARDINER: The minister told the committee the commission had cost $170,000, and he thought we had received good value for the money. Would he for one moment suggest that we have received any value for this expenditure in view of the Grain Act that has just been passed?

Item agreed to.

Prince Rupert elevator, towards the construction of further amount required, $685,000.

Sir HENRY DRAYTON: This is a big growth. I thought we had done this before. I think we have already voted $650,000.

Mr. LOW: No, $500,000.

Sir HENRY DRAYTON: Yes, but the year before we voted $150,000.

Mr. LOW: We did not use any of it, or very little.

Sir HENRY DRAYTON: Is my hon. friend quite right, because there is no revote shown on page 66 of the main estimates.

Mr. LOW: Only a very trifling amount was spent, if anything at all.

Sir HENRY DRAYTON: Then there must be an error in the main estimates submitted, because it does not show a revote.

[Sir Henry Drayton.]

Mr. LOW: Up to the 31st of May, 1925, the total amount expended was $72,499.17.

Sir HENRY DRAYTON: How much has been spent since?

Mr. LOW: The contract for the substructure is completed. It amounts to $222,000.

Mr. GARDINER: There was a previous estimate passed for this elevator.

Mr. LOW: Yes, $500,000.

Mr. GARDINER: And we are now voting $685,000. Is this for the superstructure?

Mr. LOW: Yes, for trestles and everything.

Mr. GARDINER: That means the elevator is going to cost over $1,000,000.

Mr. LOW: Yes.

Mr. GARDINER: What is the capacity?

Mr. LOW: Speaking from memory, 1,350,000 bushels.

Mr. GARDINER: Has the minister the original estimate of the cost of the elevator?

Mr. LOW: The original estimate was $1,329,000. The total cost will be less, $1,249,000.

Sir HENRY DRAYTON: I do not think that is the information the House got before. My recollection is that we were told last year that this would be a cheap construction and that there would be no difficulty about the foundation. But far from that being the case I think this is one of the most expensive elevators the minister is building. To the amazement of everyone the foundation alone is to cost $220,000 or thereabouts.

Mr. LOW: You cannot build an elevator on rock; you must prepare the foundation.

Sir HENRY DRAYTON: We were told last year that the foundation would be reasonable; it was an excellent place for an elevator. But this is the most expensive one the minister can boast of. He has struck the pinnacle here.

Mr. LOW: I do not think so.

Sir HENRY DRAYTON: It is the most expensive elevator having regard to the cost per bushel capacity.

Mr. GARDINER: Who are the contractors?

Mr. LOW: Messrs. Carter, Hall & Aldinger.

Mr. GARDINER: What will be stored in this elevator when it is completed?

Mr. LOW: I think my hon. friend asked the same question about the Edmonton elevator last year.

Mr. GARDINER: I did not ask the question then but I should like to have it answered now.

Mr. LOW: We hope to fill it with grain.

Mr. ROSS (Kingston): Where will the grain come from?

Mr. LOW: The hon. member asked this question when the Minister of Public Works had a certain item before the committee and the minister spent fifteen or twenty minutes telling him what part of the country would be served by the elevator. I have nothing to add to the information then given.

Mr. ROSS (Kingston): The government had various lots which were finally sold at $7 a lot, and I think the minister made a great mistake in not retaining them until this construction was undertaken. I am sure that the value of those lots would have gone up.

Mr. JELLIFF: If the minister would substitute Lethbridge for Prince Rupert in this item I think the country would receive more value for the money to be spent and it would be more serviceable.

Item agreed to.

Relief supplies for the Leeward islanders—further amount required, $300.

Mr. ROSS (Kingston): What is this for?

Mr. LOW: We had in the main estimates an amount to cover a donation of lumber and other supplies made to the Leeward islanders last year. When the accounts were received we were $300 short.

Item agreed to.

Inquiry re ocean freight rates—further amount required, $25,000.

Sir HENRY DRAYTON: Will the minister now give to the House the information denied in the return brought down? The House is entitled to know what money has been spent and who got it. The return was simply a sham.

Mr. LOW: All the accounts have not yet been received. We have not got the account of counsel for the committee; that will come through the Department of Justice although it will be paid from this item. Mr. Symington, I understand, is on his way home and it can hardly be expected that he would send his account in the day after the closing of the investigation.

Sir HENRY DRAYTON: What is the amount already voted?

Mr. LOW: The amount is $9,997.07.

Sir HENRY DRAYTON: Voted?

Mr. LOW: No expended. Already voted, $10,000.

Sir HENRY DRAYTON: So that we have $35,000 voted for the costs of the enquiry. How is that money to be allocated?

Mr. LOW: It is to pay for the entire investigation, witnesses, staff, stenographic work, counsel and anything else in connection with the investigation.

Sir HENRY DRAYTON: How much of the estimate is for witnesses?

Mr. LOW: I cannot give that information; I do not know whether the accounts are all in.

Sir HENRY DRAYTON: But what is the estimate?

Mr. LOW: We have not got the items separately itemised.

Sir HENRY DRAYTON: Does my hon. friend know anything at all about the matter except that he has paid out so much money? Is this simply a hit and miss in the dark? Is not the slightest care being taken in the matter? It would seem not, from the minister's answer, and the House is being treated with absolute contempt so far as this item is concerned. What allocation has been made as between counsel, stenographers and witnesses, for example?

Mr. LOW: There has been no allocation. This amount we believe will cover the expenses, and if it is not all required it will not be used.

Mr. FORKE: Is there any understanding with counsel before they undertake the work?

Mr. LOW: Yes, the Minister of Justice arranged the matter.

Sir HENRY DRAYTON: There need not be the slightest difficulty about this item if the government wants to be fair to the House. One would think there was something in it of which they were ashamed.

Mr. LOW: There is nothing we are ashamed of. We have not received the account of counsel yet.

Sir HENRY DRAYTON: Comparatively early in the session a question was put on the order paper in regard to counsel's fees, and so on. The information given the House at that time was that Mr. Symington was to receive $200 a day for the period of the investigation. He was to get that amount for every day he put in whether the committee

sat or not, and of course one would expect him to be paid for any work he did whether the committee was sitting or not. Now, why can we not get all the facts? We had the same inquiry in regard to Mr. Lafleur and we know definitely what he received.

Mr. LOW: After Mr. Lafleur had sent in his account.

Sir HENRY DRAYTON: I will not contradict the minister but I think Mr. Lafleur's bill was $1,400; we got that information.

Mr. LOW: When the question was asked we communicated with Mr. Lafleur and requested him to send in his account.

Mr. LAPOINTE: When the answer was given Mr. Lafleur had not yet sent in his account.

Sir HENRY DRAYTON: At any rate, the government had no difficulty in giving the information in his case. Here we are asked to vote this sum of money and I cannot see any reason why we should not have all the particulars, especially in view of the fact that the House itself ordered that the information should be brought down. The order of the House was dated June 8. Now we have had this delay from June 8 to the present time. We have an order filed which is incomplete on its face, which shows on its face that the government is not discharging its obligation to the House fairly. I cannot understand, Mr. Chairman, why we cannot get discovery in a case of this kind. We have a right to get it certainly on this vote. If we cannot get the government to pay any attention to the orders of the House, we can at least get the information on this vote. But why should there be any delay about it? The minister knows exactly how long this inquiry occupied. There is a record and the per diem allowance is also well known.

Mr. LOW: It is very easy for my hon. friend to figure it out.

Sir HENRY DRAYTON: If this government would only give to other people the opportunity of doing most of their figuring for them, and if they would give to other people the right of directing them and doing something towards having things done in the right way, it would be a grand thing. But just at present we are not figuring on the moneys the government is handing out. We cannot control that. It is absurd to say that we can do the figuring.

Mr. LAPOINTE: I do not see why my hon. friend should build up such a difficulty. There is no mystery. There is no secret. Mr. Symington has been retained. The amount of his fees has been given publicly to my hon. friend. It is $200 a day. It is less than the government of which my hon. friend was a distinquished member paid to the horde of counsel who appeared in the Grand Trunk arbitration and the Canadian National arbitration. It is no secret. This investigation has just taken place. The amount which will be paid will have to be determined by the number of days Mr. Symington has devoted to this work. That has not yet been ascertained. He has not sent a bill to the department yet. What can we do? I think my hon. friend will agree that we have been busy enough in this House and that we should not be compelled to run after our creditors and ask them to hurry up and send us a bill. He may rest assured that the bill will be sent in due course, but all that is necessary is to know the amount of the fee, and this has been stated publicly at $200 a day. It will be paid for every day Mr. Symington devoted his time to this inquiry. Why the trouble? Why the fuss? Why is the eloquence of my hon. friend devoted to this subject?

Sir HENRY DRAYTON: I do not know whether my hon. friend the Minister of Justice would suggest that orders which the government do not oppose are to be disregarded. I do not know that he seriously takes that position. It would be much better, however, for my hon. friend to take that position and say that this government is not bound at all by any order of the House, and that they will pay no attention to it, than to adopt the method they have adpoted here, of bringing down returns which are absolutely illusory and misleading. My hon. friend says there is a lot of fuss being made about nothing. I do not know that it is nothing when a charge is made against an administration that is supposed to function. It is true the supposition is a violent one, but it is certainly not a light charge to say that they treat orders of the House with contempt. We have absolutely no explanation of it one way or the other, but there is a good deal more in this than Mr. Symington's bill. The House said on the 8th June that they were to know, and that a return was to be made as to how much this inquiry would cost, and it would have been a very easy thing to have found out what it would cost. My hon. friend I think knows perfectly well at the present time that the estimate which they have now brought in is not going to cover that cost. Every member of the government knows it perfectly well. It may be that time is unnecessarily wasted about something, but the fault is not here; it is with the government which should have

paid some attention to the order of the House, instead of putting in a return the only object of which was to mislead the House. I do not consider these idle or light matters. I think the people of this country have a right to regard the formal return of this government as meaning what on its face it is supposed to mean. This return is supposed to cover the whole cost of the inquiry. That is the order, and instead of the order containing that information, it is simply a return which conveniently gives only one item in the whole thing. My hon. friend might say that is right. He may complain about delay, but the delay and the trouble is absolutely owing to the government not doing as they ought to, giving us proper information in connection with an inquiry which I venture to assert will cost—I do not know where it will be hidden—at least $50,000. Why should not at least an estimate be given? I am not asking very much when I ask for an estimate. I simply want an estimate showing how this is arrived at. It seems to be a most outrageous proposition to think that this vote can be put through the House without even a guess as to what it is for, as to whether it is for counsel fees, or for this or that, or whether it is for stenographers, or anything else. I have been letting a lot of things go through this afternoon without saying anything about them, and they were matters which ought to have been discussed. Here is one thing which, if there be any desire to deal honestly with this House and the people of this country, can be answered in two minutes.

Mr. IRVINE: If the Acting Minister of Finance (Mr. Robb) is able to estimate the total expenditure of the nation for a year ahead, the minister in charge of the estimates ought to be able to tell us the cost of a committee after it is held. If he cannot do that, I do not think we ought to vote the item. I will go so far as to say that if he cannot do it, he ought to pay it out of his own pocket, especially in view of the fact that the committee, including all that pertains to it, is an absolute fiasco.

At six o'clock the House resumed and then took recess.

After Recess

The House resumed at eight o'clock.

RETIREMENTS FROM THE PUBLIC SERVICE

MR. ALFRED HAMLYN TODD

Mr. SPEAKER: I regret to inform the House that we are losing the services of two distinguished public servants, Mr. Alfred Hamlyn Todd, who after fifty years of service in the library has applied for superannuation on account of ill health, and the other Mr. A. C. Campbell, Editor of Debates. I have received the following letter from Messrs. Burrell and Taché, Librarians:

Ottawa, June 25, 1925.

The Hon. RODOLPHE LEMIEUX,
Speaker of the House of Comons.

Sir,—We have the honour to enclose a copy of a report from Dr. Fraser on the condition of Colonel Todd, assistant librarian who has not been able to attend to his duties for some time past. Colonel Todd, we think, recognizes that it will be impossible for him to continue tasks which require the ability to read without difficulty. While reluctant, therefore, to dispense with the services of an official who for more than fifty years has rendered valuable and conscientious services to the library, we respectfully recommend that Colonel Todd be superannuated, and, in view of his unique record, it would be gratifying if he could be given six months' leave of absence with full pay, dating from July 1 next.

We have the honour to be, Sir,
Yours obediently,

M. BURRELL,
J. DE L. TACHÉ.

I have nothing to add to the compliment paid to Mr. Todd for his long and distinguished services to parliament. I can only express the hope that he may enjoy better health in the future.

As the House has always asserted its authority over its servants, it is moved by Mr. Béland, seconded by Mr. Stewart (Argenteuil):

That this House approves the recommendation of Mr. de L. Taché, General Librarian, and Honourable Martin Burrell, Parliamentary Librarian, that six months' leave of absence from the first of July, 1925, prior to superannuation, be granted Mr. Alfred Hamlyn Todd, Assistant Librarian, who for more than fifty years has rendered valuable services to the library of parliament.

Is it the pleasure of the House to adopt the motion?

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Mr. Speaker, it is not customary to make extended reference to officials of the country on the occasion of their severing their relations with this House, but when a man of the standing and reputation of Colonel Todd has passed more than fifty years in the public service and retires, a word of recognition may not be inappropriate. Colonel Todd, as we all know, is the son of a distinguished author who has been of great service himself to parliament. In the performance of his work in the library anyone who frequents that institution will know how uniformly courteous he has always been, how alert and anxious to serve, and how encyclopaedic his knowledge of the library itself. I do not think that in the course of my life

as a member I have ever asked for anything in the library which he was not able to reach in very quick time, or for any other service which he was not prompt and efficient to give. I am sure we all regret that he is now encountering ill health and must retire from a work which he liked very much indeed. I join with Mr. Speaker in expressing the hope that retirement may prove of benefit to him.

Hon. H. S. BELAND (Minister of Soldiers' Civil Re-establishment): Mr. Speaker, with the greatest of pleasure do I associate myself with the sentiments expressed by the right hon. leader of the opposition (Mr. Meighen) and Your Honour towards Mr. Todd. I remember in my younger days—and it is much longer ago than I care to admit—when I first came to this parliament, almost a quarter of a century ago, I frequently went to the library to read up various subjects and I found Mr. Todd ever ready to guide me in my uncertain steps toward knowledge. I express also, in the name of the government, regret at his being obliged to abandon the position which he has so highly honoured and the duties of which he has discharged with credit to himself, to the House of Commons and to parliament generally. The motion that you have read to the House, Sir, will, I have no doubt, be unanimously approved. It will be only a very feeble recognition of the eminent services rendered by this faithful servant.

Motion agreed to.

MR. A. C. CAMPBELL

Mr. SPEAKER: As I said a moment ago, another veteran will leave us after this session. I refer to Mr. A. C. Campbell, Editor of Debates, who has been with us in the House of Commons for almost forty years; who was promoted from the press gallery to the floor of the House, and from the floor of the House he ascended further to the office of Editor of Debates. He has been a public spirited servant. He has the characteristics of his race, being a good Scotchman. He has always been most attentive to his duties and desirous of helping the members and of facilitating the business of the House of Commons itself. I regret that he has to leave, but while expressing that regret the House will learn with pleasure that he will be succeeded by way of promotion by one whom we all know and whom we all appreciate, one who also was a member of the press gallery for many years—I refer to Mr. George Simpson. Applying in this as in the other case the principle that the House of Commons asserts its authority over its officials it will therefore be moved by Mr. Graham, seconded by Mr. Stewart (Argenteuil):

That Mr. A. C. Campbell, Editor of Debates, who has been in the service of the House since the year 1893, and is now in his sixty-eighth year, be granted six months' leave of absence with full pay from July 1, 1925, at the expiration of which he shall be superannuated and replaced by Mr. George Simpson, the present Associate Editor and Assistant Chief of Branch, under the provisions of the Civil Service Act, 1918, and amendments thereto.

Motion agreed to.

SUPPLY

TRADE AND COMMERCE

The House in committee of Supply, Mr. Gordon in the chair.

Trade and Commerce—inquiry re ocean freight rates—further amount required, $25,000.

Mr. MEIGHEN: Mr. Chairman, I wish to take up a question raised by the hon. member for West York (Sir Henry Drayton) before six o'clock. Before entering upon what I have to say I am going to make a further reuest of the government, the granting of which will obviate the necessity of any further pressure or very unwelcome delay at this time of the session. It is merely this—and a more justifiable request I cannot conceive of—that the order of the House which was made on the 8th of June in response to a motion placed upon the order paper be complied with, before the session ends, say to-morrow morning, to the fullest extent that the government has the information. It is this:

The total expenses incurred by the special committee in its investigation into Ocean Rates, showing, (a) full amount paid to Mr. Symington in fees, (b) the amount in fees still due to Mr. Symington as counsel, (c) total amount paid and incurred for expenses to Mr. Symington, (d) the amount paid to each witness for fees and for expenses, (e) the amount paid or proposed to be paid to Sir William Petersen for fees, or, and, for expenses, (f) amount in full paid to W. T. R. Preston in fees or, and, for expenses since January, 1924; and all other expenses, including reporting and printing, incurred by the committee, or by the authority of the government.

How the government can resist this request I do not know.

Mr. LOW: We will not resist it at all. I assure my right hon. friend that I will give him to-morrow, before the day is over, the very fullest information that my department or any other department—inquiry will be made from all departments concerned—can furnish: Mr. Symington has not yet rendered his account, but I will be glad to give my right hon. friend an estimate to-morrow of what Mr. Symington's fees will probably total.

Mr. MEIGHEN: Will the minister transmit it to me by letter?

Mr. LOW: I will.

Mr. MEIGHEN: I will accept that. I cannot understand Mr. Symington's account not being in. It seems a strange proceeding.

Mr. LOW: I may say that inquiry was made about an account of Mr. Lafleur's four months after the work had been done by him, but even at that late day we had to ask Mr. Lafleur to let us know what his fees were in connection with that work.

Mr. MEIGHEN: Mr. Symington, though, was down here for some time after the inquiry was all over, and had plenty of time to put his account in.

Mr. GRAHAM: I wonder he did not ask for something on account, being a lawyer.

Mr. MEIGHEN: I fancy it is likely he has. But it does not look to me as though the government was anxious that the amount be brought down. As a matter of fact the whole employment of Mr. Symington or of anybody else was wholly unnecessary. I have read the report of the inquiry, and if he had been employed by Sir William Petersen he could not have served the interests of Sir William Petersen's end of the contract more. He served apparently as counsel for the government through the whole matter. Now, the one other thing I wish to ask for is this: that at the same time I receive an answer to the question which is on the order paper, No. 2, which asks what sums in addition to the estimates the government has requested parliament to authorize payment of in government measures during the session of 1925. Nobody would suggest I have not right to that.

Mr. LOW: I am inclined to think the Secretary of State (Mr. Copp) answered that question to-day.

Mr. MEIGHEN: He has not, because I brought it up. Not only did he not answer it, but the Minister of Justice (Mr. Lapointe), using language which I think he ought to regret, expressed the view that I had no right to it because I could go to work myself, dig into it and get it. As everyone knows, the purpose of questions is to get, not the authority of some individual, but the authority of government for data. That is what I have asked for several times in this House and that is what I want now to ask. If I have the minister's undertaking that that will come to-morrow, I will accept that.

Mr. STEWART (Argenteuil): What department does it come under?

Mr. MEIGHEN: It does not come under any special department except Finance. It is not difficult to get. I know I could do it. Any official of the government could do it in half an hour. It is not to avoid the work I am asking it; it is because I want the authority of the government behind the answer, which I am entitled to have, which the people of Canada are entitled to have, and which as a representative I ask for. The purpose of questions is just that purpose.

Mr. LOW: So far as my own department is concerned, I can assure the hon. gentleman I will be very glad to do it, but I cannot speak for all the departments.

Mr. MEIGHEN: All anyone has to do is to go over the bills that are here—they are all introduced in the Commons, not in the Senate—and from those bills compile the answer. I do not ask a minister to do it. I ask that it be done by a proper officer, and I want the undertaking of the government that it shall be done. The question was asked in abundance of time.

Mr. STEWART (Argenteuil): It should not be very hard to answer it.

Mr. MEIGHEN: The Minister of Justice told me I could do it myself very quickly. He fails to realize what the real purpose of questions is. If anyone will give me that undertaking on behalf of the government, I am satisfied.

Mr. STEWART (Argenteuil): I will take it up in the morning for you.

Mr. GARDINER: Now the minister has satisfied the right hon. leader of the opposition, would he satisfy the House to the same extent? Can he give the information now?

Mr. LOW: No, I cannot.

Mr. MEIGHEN: The hon. member is quite right. I was a little bit selfish in speaking for myself. It is the House that requires the information, not myself, and I think it should be given before the House adjourns, so that it will go on the record and everybody can see it. I do not know whether it is the purpose to sit to-morrow or not. If it is not, I can see it will be difficult to have the information go on the record but if we sit to-morrow, will the minister undertake it will be in such form that it will go on the record?

Mr. LOW: Yes.

Mr. MEIGHEN: All right, I accept that.

Mr. GARLAND (Bow River): I am puzzled to know how it is going to go on the record if it is not produced until to-morrow. Do I understand that questions that remain unanswered and orders for returns that remain unfilled may be filled during the recess, or do they simply lapse?

Mr. MEIGHEN: If the House meets to-morrow, even for the purpose of prorogation, the minister can read it, or he can ask Hansard to take it as read. Then it goes into the record. If the House does not sit to-morrow, I do not see any way of getting it into the record. The hon. member knows who is responsible for that. The government is responsible.

Mr. LOW: I would be very glad to send to the hon. member (Mr. Garland, Bow River) a copy of the letter I send to the leader of the opposition.

Mr. MEIGHEN: Let it be put on the record.

Mr. SHAW: I do not understand yet. I would like to get the information. Is it to be confined to the leader of the opposition?

Mr. LOW: Not at all.

Mr. SHAW: It will be read into the record to-morrow?

Mr. LOW: If we meet to-morrow.

Mr. GARLAND (Bow River): My question remains unanswered. What happens to these orders unfilled and questions unanswered at the end of any session?

Mr. MEIGHEN: I do not think the minister can undertake to get it into Hansard to-day, because there are no officials at work. I do not absolve them on that account. It is utterly indefensible that we should have had to bring this up to-day at all. But if the House sits to-morrow, even for the purpose of prorogation, then it goes into the record. That is the undertaking of the government. If the House does not sit to-morrow, all that can be done is to have the information given to me and to the hon. member. As to the other orders, there are any amount not complied with. There are at least a dozen?

Mr. GARLAND (Bow River): What happens to them?

Mr. MEIGHEN: They stand a monument to the evasion of this government.

Item agreed to.

[Mr. Meighen.]

Canada-West Indies Trade Conference, $20,000.

Mr. LOW: This is to take care of the expenses in connection with the conference that is being held in Ottawa at the present time.

Mr. MEIGHEN: I earnestly hope there will be success to this conference, but I would like to have a statement as to just what is the object of the present delegation. What variations do they hope to secure? I do not mean to say in detail, but speaking generally. What modifications of the agreement of 1920 are they desirous of securing? The minister will know doubtless from the correspondence. What is the complaint? Is it in respect of tariff, or is it in respect of transportation, and if either or both, what is wrong as to tariff, and what is wrong as to transportation?

Mr. LOW: It is in connection with transportation and the existing trade agreement. The transportation question has been a very live one for some years, in fact, ever since the last agreement was entered into in 1920, the matter has been under discussion. Up to the present, nothing definite has been concluded. The conference met for its first business meeting to-day, but nothing has been discussed in detail so far. We hope that the trade agreement entered into so profitably in 1920 may be enlarged and the transportation problem worked out. That would help very much in our trade with the West Indies.

Mr. MEIGHEN: Then, generally speaking, the tariff arrangement is satisfactory?

Mr. LOW: Generally speaking.

Mr. MEIGHEN: But transportation is not?

Mr. LOW: That is the real question.

Mr. MEIGHEN: Is the complaint with the frequency of the service or the speed?

Mr. LOW: That is one of the questions, and the service generally.

Mr. MEIGHEN: I presume the government has gone far enough into the matter to realize now that they certainly cannot get on without the merchant marine if they are to continue relations with the West Indies. The silence is eloquent.

Item agreed to.

Honorary Advisory Council for scientific and industrial research—further amount required, $15,000.

Mr. MEIGHEN: Why this further amount?

Mr. LOW: Last year there was a grant of $10,000 to the Canadian Engineering Standards Association. It was felt that that work could be properly carried on by the research council,

and an amount of $5,000 has been placed in the estimates for that purpose. The balance, $10,000, is required to investigate the problem of the magnesite industry in Canada. The research council, after making a preliminary investigation, is strongly of the opinion that research work should be undertaken in connection with this industry.

Item agreed to.

The Canada Grain Act, administration of—further amount required, $50,000.

Mr. MEIGHEN: What is the matter with this?

Mr. LOW: When the Canada Grain Board submitted their estimates I reduced them by about $90,000. After going over the estimates with the chairman of the board, it was felt that with the addition of the other elevators, it would be necessary to have another $50,000 at least.

Mr. MEIGHEN: I venture to say that if the change in the Grain Act in this respect is utilized, allowing the board to pay what they like, subject to the Governor in Council, this $50,000 will not do it either.

Item agreed to.

Patent Record, $35,000.

Mr. LOW: This is to cover the publication of a record printed weekly by the Printing Bureau and the amount that is paid to the bureau for the service.

Mr. MEIGHEN: It is a tremendous amount.

Item agreed to.

To provide for the salary of one principal statistical clerk for ten months to March 31, 1925, at $2,280..	$1,900
Additional amount required to provide for the salary of one expert in grain chemistry.. ..	1,300
	$3,200

Mr. MEIGHEN: Can you get an expert in grain chemistry for $1,300?

Mr. LOW: No. There is an item in the main estimates with regard to this. The salary is $4,300, and this is merely to provide for the balance of the salary.

Item agreed to.

To provide for the expenses connected with Canadian National Parks, historic sites, care of indigents in the parks, etc., and to reimburse the provincial government for the salaries of police magistrates at Banff and at Jasper, $1,025,000.

Mr. STEWART (Argenteuil): This item was left over from the previous debate.

Mr. SHAW: I want to take advantage of this item to invite from the minister a statement with regard to his position in connection with the application to develop the power on Spray lakes. Hon. members of the House will have heard of this project before. The situation now is that some two or three years ago the province of Alberta made application in its own right for a license to develop the power in this lake area, which is included in the national parks. An investigation has been carried on, and apparently the consulting engineer employed to advise the government has given the opinion that a great deal of power can be developed in that area. There has been some slight opposition to granting a license in this area on the ground that it would commercialize this section of the park and constitute a very bad precedent. I think hon. members will recall that some of those who have been in that area have indicated very clearly that, so far as scenic value is concerned, the area is not of much significance. A short time ago the government of the province of Alberta called a conference at which representatives of the city of Calgary, the city of Edmonton and some of the other municipalities consulted together with a view of determining whether or not joint action should be undertaken for the purpose of developing this area for water-power purposes. In that connection I desire to read a telegram received by me under date of June 20, from the mayor of the city of Calgary:

Calgary city council unanimously endorse application Alberta government for rights develop Spray lake power site. Calgary vitally interested not only in question urgent necessity development to meet increased demands for power but proposed storage will effect very considerable floods control Bow river which has often caused serious damage to city in past years. After recent conference with government Edmonton we are satisfied if they are given permit by Dominion authorities there will be no exploitation park resources or disfigurement scenic attractions in national park. City of Calgary by reason its close proximity to Banff park is deeply concerned in retention of all those things which make park attractive for tourists. We urge your best efforts towards securing of permit by provincial government and hope you will place our views before House on first opportunity.

This is my first opportunity to place before the minister and the House the attitude taken by the city council of Calgary, as indicated by the telegram of its mayor. The only suggestion of opposition to this scheme, so far as I know, is the one reason I have already mentioned, and secondly, a suggestion that perhaps the power can be developed in other parts of the province from coal. I do know but little about the comparative merits of development by steam or water-power; but I do know that the Canmore Coal Company, which is operating a coal mine within a very few miles of the proposed development, has expressed a desire to secure power from this

proposed project for the purpose of carrying on its mining operations. I ask and invite the minister to indicate to the House his attitude in connection with this important matter, a matter not only of great importance to the city from which I come, but also of great importance to many municipalities of the province, and to the future development of the various sections of the province.

Mr. STEWART (Argenteuil): We discussed this matter at some length on the last occasion the estimates for the Department of the Interior were before the committee, and it is a very difficult matter indeed. We have set apart our parks as a great national playground and there is no doubt that nationally they are a great asset to us. It is estimated that by the development of the parks a great deal of money is brought into the country and naturally people will not visit them unless the parks are pretty much in the state in which nature has left them. For that reason there has been considerable reluctance on the part of the park authorities to consider any application that would interfere with the scenic beauties of these places or transfigure them in any way. A great many protests have been lodged in the department from all parts of Canada, from Canadian clubs in some instances and from boards of trade, Kiwanis clubs, the Alpine club and a large number of other organizations, against the application that was first made by the Calgary Power Company for the development of the Spray lakes site. The hon. gentleman has asked me to express an opinion but I have an open mind on the matter. There is not very much water-power development possible in Alberta. This is one of the big projects that would supply the city of Calgary and possibly intervening towns as far north as Edmonton with power if development took place. After the Calgary Power Company had had its application before us for a year and a half the government of Alberta made an application in its own behalf. That application we have treated with priority believing that the government of the province considered hydro development.

Mr. MEIGHEN: Has the Calgary Power Company no rights there now?

Mr. STEWART (Argenteuil): On lake Minnewanka.

Mr. MEIGHEN: None on Spray lakes.

Mr. STEWART (Argenteuil): No; it has no rights there. In view of the fact that there has been so much protest against this development I have hesitated considering the application. I believe a development of this character is somewhat premature but if people want to invest money I do not know that it is any great concern of ours. In the second place, there is no other large development of this character in the province which would yield the same amount of power for the expenditure to be made. I had hoped that the member for Vancouver Centre (Mr. Stevens) would be here to-night. The hon. member takes a vital interest in this question and he is on record in Hansard as registering a mild protest against the exploitation of the parks for any purpose whatever. I should like to know what the feeling of parliament is on this matter. I intend next session if I am still Minister of the Interior to bring down an amendment to the Parks Act putting the natural resources of the parks under the control of parliament, so that applications of this kind would have to come before parliament in the shape of a bill and be passed upon. There is a very strong feeling abroad that we should not interfere with the natural beauty of the parks and for that reason I think it would be well to place the natural resources of these areas under the control of parliament itself. On the other hand, this application has been pending for three years and I am informed that the provincial government is anxious to go ahead with the development. The Prime Minister so informed me the other day and I assured him that the matter would be discussed shortly in the House when the estimate was under consideration and when I should have some idea as to how parliament felt about it.

Mr. MEIGHEN: I remember the subject being before me but very briefly some years ago. I have read the remarks of the minister in a previous debate and, as well, the address of the hon. member for Vancouver Centre. I would gather indisputably from his words that he is strongly opposed to anything being done that would mar the natural beauty of this park by any power development at the Spray lakes. I am informed also that there has been considerable protest from other parts of Canada against the general principle of commercializing the parks, and possibly some of these protests have special reference to this site and this projected exploitation. Another factor that weighs with me is the fact, or so I am informed, that the head of the Parks branch, Mr. Harkin, has set his face against the utilization of these falls. On that account it is with some hesitancy that I venture to express an opinion. But finding the government in the position of having no policy it would be a shame not to assist them in any way that one could. I want to

say in this respect that their attitude is in no way unique. It is becoming an almost invariable habit with them to represent themselves as being without any opinion on any question that comes up and, as it were, waiting for instructions. Now, I venture the opinion that this country cannot set its face definitely for any length of time against the development of practical power sites in our parks. I do not think that can be done. If you have a big city with aspirations for industrial progress, and hungering for power as Calgary will be, though it may not be just yet, it certainly is assuming a great deal to stand a thousand miles away and to say, "Do not harness the power at Spray lakes because I and many others might like to look at the water falling down there. You should be good enough to do without the very life blood of industry in order that we may have that pleasure." I can recall years ago when the question of Niagara development was under review, not in this parliament but in Canada. At that time Canadian and American magazines were filled with protests, with splendidly written articles, and with all sorts of violent protests against the idea of commercializing this wonderful beauty spot of nature. Imagine the folly that would have been perpetrated had these words been heeded! Just think of the suggestion of denying to the people of Ontario the comforts as well as the wealth which Niagara development has yielded, in order that some tourists might be able to see more water flowing at a single spot over a hill. Perhaps it is not the same as respects the Spray lakes which are in a natural park. Nevertheless, though perhaps in a lighter degree, the argument applies. There is no province in Canada, unless it be Saskatchewan, which has less natural potential water-power than Alberta; and in that state of the province I do not believe that any government in the world can deny the claims of the people to utilize such powers as they have. Nor is it essential, I should think, that there should be any gross disfigurement of the natural beauty of the park as the result of power development. I know there could be.

Mr. MURPHY: They get over that difficulty in Italy and Switzerland and they have great power development.

Mr. MEIGHEN: What the Postmaster General has been good enough to interject is quite true. By the exercise of careful supervision, power development can be made quite presentable, and if I were in the Banff national park, I would prefer to see there some well executed, splendidly finished engineering feat that had the purpose of giving to mankind the benefit of a great national asset, to having the mere, crude pleasure of watching the spray at a great height. Consequently, in so far as my advice is of any value to the minister, I would say: Just as soon as he is convinced that there is real use to be made of this power site; that it is really needed, then, subject to proper restrictions, subject to proper supervision, the power should be thrown open. I do not say it should be thrown open to the Calgary Power Company necessarily. It might be the part of wisdom to assign it to the province of Alberta, but I never would assume a dog-in-the-manger policy, and with an affectation for the beautiful in nature, presume to deny to our fellow-beings the use of a great natural possession and resource of Canada.

Mr. SHAW: Certainly one cannot resist the clear-sighted and logical policy enunciated by the leader of the opposition (Mr. Meighen). I am sure if he saw some of the snapshots of that area, some of which I have under my hand, he would agree with me immediately that the area has not any very special significance as regards scenic value.

Mr. GARLAND (Bow River): Hear, hear.

Mr. SHAW: The hon. member for Bow River says, "hear, hear." He visited that area last year and saw it for himself. That particular variety of scenery can be duplicated in a thousand different places. The parks in Alberta total an area of approximately 9,000 square miles, and all of this, if advocates of park conservation are to have their way, is to be forever a closed area in which there shall be no commercial exploitation at all. Some advocates of park conservation or preservation agree with the view that the parks in Alberta are altogether too large. The present park area should be carefully surveyed so as to pick out the points of special scenic significance, and the rest should be permitted to be commercialized where commercialization is proper and justified. With what the leader of the opposition says in regard to a proper development especially of this particular area, I find myself in accord. I happen to have a copy of the Manchester Guardian Weekly of Friday, April 17, of this year, and apparently there has been from time to time a great deal of controversy even in England with regard to the preservation of what might be called mountain reservoirs. I desire to read from this article one or two selections which will epitomize the situation:

Much of the early indignation was probably due to a confused idea that new moorland reservoirs are what devout Calvinists used to call "humanised abominations", whereas the lakes previously existing were intensely authentic and well-considered works of nature. In truth there are few things which nature makes so arbitrarily and so accidentally as lakes, or by which she seems to set less store when they are made. As Playfair pointed out, before our large-scale reservoir-making had fairly begun, a lake in nature is but a temporary condition, a mere incident, of a part of a river.

Further on, this article states:

Of course a corporation may disfigure a fine valley by building ugly waterworks and houses, by forcing the banks into rigid lines, or by lining the margin with stone setts. But none of these mistakes is a necessary part of reservoir-making. They are merely bad reservoir-making. The very few buildings, roads, and fences that reservoirs need would serve their purpose at least as well if they were models of beauty. And this they ought to be—simply from public spirit in all cases, and also from enlightened selfishness.

My suggestion to the minister is that the application of the province of Alberta should be granted and that if necessary that particular area which has no special scenic value should be excluded from the park area. That can be done easily and readily, and subject to proper restrictions as regards development, having in view the preservation of whatever scenic values there may be, the government should not hesitate to grant a license to the province of Alberta if and when it makes application therefor.

Mr. ROBINSON: I should like to ask the minister a question concerning Fort Beausejour on the boundary line between New Brunswick and Nova Scotia. Does the government own any land there at present, and is it the intention of the government to expend any money there in the near future to preserve this historic site?

Mr. STEWART (Argenteuil): Yes. We own about seventy-two acres, and it is the intention later on to develop this historic site.

Mr. ROBINSON: This year?

Mr. STEWART (Argenteuil): Not this year. Later on. I am told there will be some expenditure this year.

Mr. ROBINSON: Has the minister any information about Louisburg?

Mr. STEWART (Argenteuil): We are acquiring land at Louisburg and putting up some tablets this year.

Mr. WOODSWORTH: The minister has spoken of how valuable an asset these parks are. In the park at Banff the largest hotel is owned by the Canadian Pacific Railway,

[Mr. Shaw.]

and undoubtedly the tourist traffic which is made possible there by the development carried on by this government brings in very considerable revenues to the Canadian Pacific because of both the traffic on the roads and the hotel property. Has the minister any information as to the revenue derived by the Canadian Pacific through their hotel at Banff?

9 p.m.

Mr. STEWART (Argenteuil): I have not that information. I do not know that it is published in any form. Undoubtedly, the hotel is a great attraction to tourists who have plenty of money.

Mr. WOODSWORTH: Is the hotel at Banff taxed in any way by the Dominion government?

Mr. STEWART (Argenteuil): No.

Mr. WOODSWORTH: Does the minister not consider that, since these large sums are being spent by the Canadian people to maintain this park and to attract tourists and since roads are built in every direction and wealthy tourists brought there from every part of the world, the people who benefit financially might return something in the way of taxation for the privileges they enjoy by being placed in the very heart of the park?

Mr. MARLER: Do they not return a great deal in the way of taxation? They are the largest taxpayers in Canada.

Mr. STEWART (Argenteuil): The question of municipalities in parks is a somewhat difficult one. We only lease the lands upon which the buildings are erected. We do not collect taxes. They tax themselves for educational purposes. Outside of the licenses we collect, very little revenue is gathered in from the municipalities. This is something upon which we must develop some policy in the very near future.

Mr. WOODSWORTH: With an expenditure of over $1,000,000 of the people's money in connection with this park system, it would seem to be only a reasonable thing to expect some return.

Mr. STEWART (Argenteuil): I think we get it. Of course the park is not all the attraction, but it is estimated that over $30,000,000 comes into Canada as a result of tourist traffic. The money spent in the country means a very profitable business. Those who reside in these parks are not taxed to nearly the same extent as they would be outside.

Mr. ARCHAMBAULT: Where would the people go if there was no hotel?

Mr. WOODSWORTH: I am not suggesting that there should not be a hotel, but we are speaking of the commercializing of these places. They are already commercialized and a few large corporations gain the major benefit of the large expenditure, which does not return directly to the people. I do not think it is an unreasonable suggestion that there should be some tax on these corporations that derive the greatest financial return.

Mr. STEWART (Argenteuil): I have not any idea what return the hotel gets, but it will be readily understood that for a period of five months the rates are high because an inistitution of that kind is pretty expensive to keep up. I do not think it begins to pay for the actual investment, but as an adjunct to the railway no doubt it is very valuable.

Mr. GARLAND (Bow River): The hon. member for West Calgary (Mr. Shaw) has stated his case and asked a question, and the right hon. leader of the opposition has also asked for information. I should like to see this concluded, and it will be if the minister will only state to the House what he intends to do with the application of the government of Alberta for a lease of this power development.

Mr. STEWART (Argenteuil): I did expect to hear some very direct objection taken, but as I have heard none I presume that parliament is in favour of the project.

Mr. GARLAND (Bow River): As the minister is asking for some expression of opinion, I doubt very much whether the financial position of Alberta will justify it entering into this project at the present time, but that is the business of the province itself. On the other hand, there are two applications before the minister; one from a private concern to develop this power plant, and one from the government of Alberta to develop it on behalf of the people of the province. I say to the minister he should have no difficulty whatever in reaching a conclusion—the people should come before private interests in the development of the public utilities of this country.

Mr. STEWART (Argenteuil): Agreed.

Mr. SHAW: May we assume from the minister's statement that the application of Alberta will be favourably considered, subject to such proper restrictions as may be imposed by the federal government?

The CHAIRMAN (Mr. Vien): Carried.

Mr. SHAW: Mr. Chairman, I should like the minister to indicate what conclusion he has reached on the matter. I did not gather whether that is his attitude or not.

Mr. STEWART (Argenteuil): I thought I made it very clear that I was simply calling for the attitude of parliament on this question. I have learned discretion since becoming Minister of the Interior in looking into these applications. I say at once that I would very much prefer that the province of Alberta should make application and receive the grant instead of a private company. After all, these projects are very well safeguarded by federal restrictions. From the expression of opinion to-night I gather that the House feels we should give consideration to the application of the province if it is in proper form.

Mr. MEIGHEN: We are not any further yet as to whether this should be preserved as a sort of aesthetic blossom or be made use of as a work for the advantage of the people. The minister says he comes here seeking the attitude of parliament. Well, parliament is seeking the attitude of the minister. Parliament has had its say. Now, what is the minister's position; is he favourable or is he unfavourable?

Mr. STEWART (Argenteuil): Well, I have made two speeches on this question.

Mr. MEIGHEN: And said nothing.

Mr. STEWART (Argenteuil): Possibly not. If my right hon. friend wants a direct expression of opinion as to whether or not I am going to grant this franchise, I say I am going to give it consideration and I cannot say to-night whether I shall grant it or not. There are some things that I want to satisfy myself on. If the right hon. gentleman was in my place, with so many adverse resolutions before him, even in the face of a favourable disposition on the part of parliament to grant a franchise to the province, I think he too would hesitate before taking action. After all, parliament is the proper place, it surely represents the true state of public opinion, and if the province of Alberta is sincere in this thing, and if its application is in order, I will be prepared to go forward with it.

Item agreed to.

Dominion lands and parks—amount required to meet uncollected portions of advances of seed grain made in the Province of Saskatchewan by the chartered banks

to holders of unpatented Dominion Lands under the guarantee of the Dominion government, also including commission payable to banks for collections, fees to secretary-treasurers of municipalities and officers of the provincial Departments of Agriculture, clerical assistance, travelling expenses, etc., $25,000.

Mr. MEIGHEN: This is for the past year?

Mr. STEWART (Argenteuil): No, it is an estimate for this year.

Mr. MEIGHEN: How much did it cost last year?

Mr. STEWART (Argenteuil): I do not believe we had any last year.

Mr. MEIGHEN: Will there be any this year?

Mr. STEWART (Argenteuil): Yes, we were notified there would be in Saskatchewan, not in Alberta.

Mr. MEIGHEN: This plan of handling it through the banks has proved much better than the other?

Mr. STEWART (Argenteuil): Yes, very much better.

Mr. MEIGHEN: I accept the compliment.

Item agreed to.

Amount required to transfer buffalo from Buffalo park, Wainwright, Alta., to the Wood Buffalo park near Fort Smith, N.W.T., $20,000.

Mr. MEIGHEN: Why is this being done?

Mr. STEWART (Argenteuil): The buffalo at Wainwright are increasing so rapidly that we can scarcely keep them inside the fences. We have about eight thousand there to-day. We have killed a great many of the older animals, but we have had difficulty in marketing the meat and even in selling the hides. We are taking the yearlings up to a park in the north to see whether we can increase the numbers of the animals by creating a herd in that northern territory.

Mr. CRERAR: What is the condition of health of the buffalo in Wainwright park? Are they suffering from disease of any kind?

Mr. STEWART (Argenteuil). In slaughtering the animals we have found some of the older ones showing pretty strong traces of tuberculosis, but not much evidence of that disease has been found in the younger animals. But they are getting so congested that we are fearful of disease breaking out among them.

Mr. CRERAR: How many are there altogether at Wainwright?

Mr. STEWART (Argenteuil): About 8,000.

[Mr. C. A. Stewart.]

Mr. MEIGHEN: What is the reason for the difficulty in the marketing of the hides?

Mr. STEWART (Argenteuil): Users of automobiles do not require a heavy robe of that character, and they are too heavy for coats. We have tried almost everything in the way of manufacturing them with a view to creating a sale for them.

Mr. MEIGHEN: Are they too heavy because of the age of the animal?

Mr. STEWART (Argenteuil): It is a very thick hide. It can be stripped and reduced in weight, but still, when manufactured it is much heavier than the ordinary fur coats that are sold nowadays on the market. The old days of the sleigh robe are gone.

Mr. THURSTON: What has been the revenue from the slaughter of the buffalo, and the cost of that slaughter?

Mr. STEWART (Argenteuil): The receipts have been about $84,000 as against an expenditure of $76,000. We have in storage hides, heads and pemmican valued at about $161,000.

Item agreed to.

Mr. MEIGHEN: When we passed the item about the Yukon I really should have asked that it stand as the hon. member for Yukon (Mr. Black) wanted to say a word. I hope the minister will permit it.

Mr. STEWART (Argenteuil). Certainly.

Mr. BLACK (Yukon): In regard to the item of $10,000 granted to the local council to cover expenditures on replacements of public works destroyed by the flood, does the minister think that is at all an adequate appropriation? I understand his agent in the territory wired very urgently requesting that $50,000 be granted.

Mr. STEWART (Argenteuil): I did anticipate that the amount would be over $10,000, but I did not want to provide a very large item. I have some recent photographs that would indicate that there has been very considerable damage up there.

Mr. BLACK (Yukon): I have a copy of the telegram from the gold commissioner to the director of the Yukon branch in Ottawa, stating that they require some $50,000. The telegram is very explicit and very urgent.

Mr. STEWART (Argenteuil): That telegram came in May, just at the time of the flood, but we have had no definite estimate of what the amount of damage would be.

Mr. BLACK (Yukon): Why was it necessary to provide this additional amount of $25,000 to cover over-expenditure by the local council?

Mr. STEWART (Argenteuil): The hon. member will know that they have been in receipt of about $25,000 annually out of the sale of their liquor. More than a year ago, when the prohibitory law went into effect, we were not permitted to ship liquor across Alaska into the Yukon. and negotiations have been carried on ever since. I think part of that liquor is still tied up. The latest report I had was that we had not been able to get it in, notwithstanding the fact that we had made arrangements for shipment in bond across American territory. But unfortunately the council over-expended to the amount of $25,000, anticipating that they were going to have the receipts which would enable them to carry on their work. They find themselves with an overdraft in the bank to that extent, and we are voting this sum to straighten out that difficulty.

Mr. BLACK (Yukon): Was not that $25,000 over-expended on the minister's assurance last year that the grant would be made?

Mr. STEWART (Argenteuil): Yes, I think that is correct. We are to a certain extent responsible, having told them that undoubtedly they would be in receipt of this money.

Mr. BLACK (Yukon): Would the minister give the committee some information concerning an item in the public accounts appearing under the head of cost of administration, Yukon Territory, $100,000, Exchequer Court award for the Bonanza Creek Gold Mining Company?

Mr. STEWART (Argenteuil): I am sorry I have not that information, but I shall be glad to get it for my hon. friend. It was the result of some award by the court, but I have forgotten the circumstances.

Mr. BLACK (Yukon): I have taken the trouble to look the matter up in the registry of the Exchequer court, and I wish to protest against the item being charged up under the head of administration of Yukon territory, because it has nothing whatever to do with the cost of administration of Yukon. It was a claim arising out of one of those leases made in the early days, as far back as 1900, known as hydraulic concessions. They were the cause of a great deal of dissatisfaction in Yukon. The mining laws provided for the granting of concessions on land that was not supposed to be fit to work by the ordinary placer mining methods; it was never intended that it should apply to the rich placer fields of the Klondike. However, the government of that day made a practice of granting such concessions right in the heart of the rich mining lands, to its political friends. The concession in question was known as the Matson and Doyle concession and it was right in the heart of the fabulously rich Bonanza creek deposits. It was a matter of great surprise to local people that any such grant should ever have been made. As a matter of fact it was obtained by glaring fraud and in violation of the mining regulations. In 1908 these fraudulent concessionaires filed a petition of right against the government claiming damages because of alleged wrongful acts on the part of the government in the fabulous sum of $17,619,000. The government, instead of fighting the claim on its merit, rested its case on the highly technical and really untenable ground of defence that the company had no miners' license and that if it had a license it was invalid. The failure of the defence was inevitable, and ultimately the Privy Council ordered the case back to the Exchequer court to be tried on its merits. The case began in 1908, and as late as February 29, 1916, it was ordered back for trial on its merits, and from that time on it remained dormant. I do not think the concesssionaires really dared to go on with it. The case had no merits. Everybody familiar with the situation in the Yukon knew the case had no merits, and I am confident the officials of the Interior department knew it had no merits, but instead of resisting that fraudulent claim, the government on the 1st of March, 1924, consented to a judgment being entered against the government for $100,000, and paid over the money. Because it was a judgment of the Exchequer court, the government did not have to come to parliament for the money. I am sure no parliament ever would have granted it. I should like to know who that is familiar with the Yukon situation was consulted before this judgment was entered. The very fact that a claim for $17,000,000 was settled for $100,000 showed the claimants had no faith in their claim. The government certainly did not consult me. I knew the ground in question, I knew of the lease, I knew of its fraudulent nature. It was a common scandal in the country, and has been for years, and that the government should consent to be mulcted for the sum of $100,000 to pay this fraudulent claim is a surprise to me. On the very face of it the

settlement is fraudulent, and now the item appears in the public accounts as part of the expenditure for administrating the Yukon territory. If the government consented to give away $100,000 to these people who filed this claim for $17,000,000, I say that it should have been charged up under some other heading than the administration of Yukon.

Mr. STEWART (Argenteuil): So far as I am concerned I do not know anything about this claim. It has certainly never come before the Department of the Interior. My hon. friend states it was in the Exchequer court. I have no recollection of the claim at all. I have a recollection of hearing a claim of this character which had been very long delayed being discussed, but I really am unable to give my hon. friend any information about the matter.

Mr. MEIGHEN: Can the Minister of Justice do it?

Mr. LAPOINTE: I have no recollection of anything of this kind. It must have been before I took charge of the department. However, I am willing to make a search for it.

Mr. BLACK (Yukon): It is not very ancient. The judgment was entered and the money paid after the 1st March, 1924, so it is not much over a year old. I am inclined to think the minister is altogether correct when he says he does not know anything about it, for I could not conceive of him paying this claim if he knew anything about it at all, although the claim does arise entirely out of the administration of the Department of the Interior. What surprises me is that the claim was paid without the minister knowing anything about it. Somebody on behalf of the government must know something about it, and I would like to know the people to whom the money was paid, and why they were paid when they had no claim at all.

Mr. STEWART (Argenteuil): I certainly will look into the matter. Matters that get into the court for court decision, of course, get out of the hands of the minister except the Minister of Justice. The case is out of the control of the other ministers when it reaches that stage. My hon. friend informs me that the matter has been lying dormant in the Exchequer court for a number of years, and therefore it would not come through the Department of the Interior. However, I shall be very glad to get the information and give it to my hon. friend.

[Mr. George Black.]

Mr. MEIGHEN: Was the minister made aware of the settlement of this claim at all?

Mr. STEWART (Argenteuil): My accountant tells me that the payment came through the Department of the Interior, that the judgment was issued, and paid apparently in the ordinary way.

Sir HENRY DRAYTON: On what date?

Mr. STEWART (Argenteuil): In March, 1924.

Mr. MEIGHEN: Does the minister say that to the best of his recollection the question of consenting to this judgment never came before the government as a whole?

Mr. STEWART (Argenteuil): I am sure it must have come before the government, but I must confess I have no recollection of the matter.

Mr. MEIGHEN: I do not wish in the face of the answer of the minister to make any unfair reference to him, but I do protest against any government consenting to a judgment and then paying the money out on that judgment without coming to parliament. The Exchequer Court Act, of course provides that a judgment of the Exchequer court can be paid merely out of consolidated revenue, but the contemplation of that act was a judgment rendered on the finding of the judge himself, not merely on the approval or finding of the government. It never for a moment was thought it would be a mere means of providing a government with power to pay out public money without recourse to parliament, on the will of the government alone. But that appears to be what was done in this case. If what the hon. member for the Yukon says is right and a judgment was rendered without the mind of the Exchequer court judge being applied to the case at all, if it was done merely on the consent of the government, the government should have come to parliament for authority to pay that money, and there should have been no consent unless parliament approved. It is simply defying the rights of the people.

I do not know anything about the merits of the case. I am pretty much in the position of the minister. I have a hazy recollection of it, and it is not so hazy after all; it is coming clearer to me, a case amounting to nothing less than a huge magnificent fraud that lay in the Exchequer court for years. I remember it coming before me occasionally, and the very thought of a settlement being spurned, and I am amazed to hear that this government consented to pay out public money to

the extent of $100,000 on a claim of that kind. Can anyone tell us who were counsel for the claimants?

Mr. STEWART (Argenteuil): I cannot. I was just going to remark that we have a recent case, that of Maunsell, against the Department of the Interior for illegal cancellation of a lease. It comes to my mind because it is recent. I immediately took steps to appeal, to protect our interests in the matter. But the case my hon. friend from the Yukon speaks of, I have no recollection of at all. However, I shall be glad to get the information.

Mr. MEIGHEN: I would like to find out who were the lawyers in this case. While I cannot pretend to any intimacy with the details, the impression that was left on my mind was that the claim was nothing but an unmitigated and colossal scandal.

Sir HENRY DRAYTON: Would the minister kindly tell us whether this particular case was handled by the Department of Justice, or whether it was handed out to some political legal friends?

Mr. STEWART (Argenteuil): I would not like to make any statement on the case at all. I have a hazy recollection of the case, at least I think it is the one, but without refreshing my memory with respect to the whole thing, it is difficult to recall any particulars. Undoubtedly the Department of Justice would be handling the case.

Mr. LAPOINTE: I do not think any agent of the Department of Justice would have agreed to a judgment by consent without the authorization of the department. I do not think this case has come before me while I have been in charge of the department.

Mr. BLACK (Yukon): I might inform the committee that the solicitors for the suppliant were Aylesworth, Wright, Thompson and Company. The case was never tried by the courts. The government cannot excuse itself by saying it had to carry out a judgment, because the merits of the case were never gone into by the court. It passed through the Exchequer court in the first place on the technical defence which I have outlined to the committee, and was ultimately sent back by the Privy Council to the court for trial on its merits. The merits were never gone into for the reason I suppose that there were no merits. The claim consists of about fifteen items amounting in all to $17,619,000. It reads like a fairy tale, for no one living in Yukon and having seen the ground would say anything but that this claim is absolutely ridiculous. They could not conjure up $2,000,000 let alone $17,000,000 for the whole lease.

To provide for the operation, maintenance, and settlement of the Canada Land and Irrigation Company's project in the province of Alberta, subject to security for repayment with interest upon terms arranged by the authority of the Governor in Council. Appointments and payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder, $100,000.

Mr. STEWART (Argenteuil): This is to provide funds to carry on the Canada Land and Irrigation Company's project for one year. We covered this matter fully in the estimates before. We have a first mortgage investment of $400,000 and this will of course increase it by $100,000 in addition to the $20,000 which we loaned the project last year to carry on. So that we shall have slightly over $500,000 against the undertaking, which has cost $15,000,000. The liquidator hopes to make a sale this year, but that is rather doubtful.

Sir HENRY DRAYTON: Are we doing the actual work ourselves or are we advancing the funds to the company to do it?

Mr. STEWART (Argenteuil): It is done under our own manager. We have also our own staff.

Sir HENRY DRAYTON: Is it the old staff?

Mr. STEWART (Argenteuil): We have Mr. Hays, the former manager, in our employ. He has a large farm in the district and is a thoroughly trained irrigation engineer. It is possible that if he had been there at the inception of the work things would not be in the present difficulty. Mr. Meek of the Irrigation department, one of our own officers, is in charge.

Sir HENRY DRAYTON: The next item I suppose is really the same thing.

Mr. STEWART (Argenteuil): Yes.

Item agreed to.

Amount required to pay Messrs. R. R. Hall and William Irwin, of Peterborough, upon the relinquishment of their interest in timber berth No. 507, $120,430.

Sir HENRY DRAYTON: This is an old matter and the minister has sent me the files in connection with it but I confess I have not been able to get at the bottom of it. I recall that at one time when the previous government was in office a similar proposition was made to them but was rejected, but I cannot pretend to have any distinct recollection of the facts.

Mr. STEWART (Argenteuil): I suppose that my hon. friend has read the memorandum prepared on the subject, giving the history of the acquisition of this timber area in British Columbia near New Westminster. Some years ago while the berth was held by the present holders, Messrs. Hall and Irwin of Peterborough, steps were taken to preserve a reservoir which was created for the use of New Westminster. Some mistake was made in the department at the time and Messrs. Hall and Irwin failed to be notified, so that they did not discover the circumstances in connection with the reservation until they had entered into an agreement of sale for the property when they found that they could not transfer the property inasmuch as the reservation had been placed on the greater portion of the timber area to prevent the pollution of the water.

Sir HENRY DRAYTON: Has that reference to the $70,000?

Mr. STEWART (Argenteuil): I do not remember the exact figure. I think it was a little more than that. Subsequently the department offered them an exchange of property but apparently was never able to come to an agreement with them. I tried for three years to effect an exchange of this birth for other property in British Columbia but we could never agree upon the basis of exchange. The difficulty of logging appears to enter largely into the matter of exchange there. Some timber areas are logged cheaper than others and we could not secure a territory that would be satisfactory to the parties. We did succeed in getting them to accept one area as a partial exchange for the property, but later on in trying to make an adjustment we disagreed. Finally I made the parties an offer to pay back the money they had expended in connection with the property, and the original purchase price added to interest and other charges amounted in all to $125,000 odd. We are asking for $120,000, that being the agreement I have with Messrs. Hall and Irwin.

Sir HENRY DRAYTON: Was there an opinion of the Justice department?

Mr. STEWART (Argenteuil): Yes, we had the matter thoroughly scrutinized.

Sir HENRY DRAYTON: What is their opinion?

Mr. STEWART (Argenteuil): As my hon. friend knows, these matters are all submitted to the department for their opinion.

Mr. BRETHEN: What is the area of the property?

[Sir Henry Drayton.]

Mr. GORDON: I read the file a short time ago and perhaps I may be allowed to say something on the subject. When Sir James Lougheed was Minister of the Interior he recommended the exchange of an equal area of equal value by reason of the fact that the government had allowed a certain conservation area to be established including a part of this berth. The result was that the New Westminster municipal authorities constructed a dam in what was known as the Coquitlam reserve. The dam, some eighty feet high, caused the water to back up over this vast area making it impossible for the berth to be used commercially. As my hon friend (Sir Henry Drayton) will see by the file, Sir James in his report to council recommended that there should be exchanged for this an area equal in value. It was impossible at that time for a settlement to be arrived at and when the present Minister of the Interior (Mr. Stewart, Argenteuil) assumed office a similar offer was made. The party sent cruisers over the different berths but were never able to agree and it was finally decided that the amount of money which the trustees had paid in on behalf of the syndicate should be repaid to them plus fire dues and certain other charges which they had paid. The department was to pay five per cent in addition, but not compounded. They insisted for a long time that they should be given compound interest but the department refused, and finally, last fall, they came to terms. They have lost some $22,000 in expenses in connection with cruising trips, inspectors, solicitors' fees and other costs, but I believe that included in that $22,000 there is $3,000 or $4,000 of principal and interest which the department has refused to pay. Ultimately they compromised on a basis of $120,000. The basis of settlement agreed upon latterly was that recommended by Sir James Lougheed to council, but there is no indication that council ever acted. I think that was about five or six years ago, but there is his report upon the matter.

Sir HENRY DRAYTON: What is the date of that?

Mr. GORDON: It is in the file, I can find it. But in those days it was impossible for them to agree as to what berth should be given in exchange, and it was impossible to agree with the Department of the Interior under my hon. friend; so that a compromise was made under those circumstances. I was anxious to know something about the matter, by reason of the fact that these gentlemen were part of a syndicate residing in

Peterborough. I had the opportunity of perusing the file and the facts as I have stated them are set forth in it.

Mr. BRETHEN: Does the minister assume any responsibility for the damage?

Mr. STEWART (Argenteuil): No. The acreage of the area is 6,000 odd acres.

Sir HENRY DRAYTON: It is just an exchange.

Mr. GORDON: Yes.

Sir HENRY DRAYTON: My hon. friend is partly right and partly wrong in connection with the difficulty here. The initial difficulty, as I remember and as I have been able to gather after hastily looking at the file which my hon. friend the Minister of the Interior sent over to me, grew out of the fact that an arrangement had been made for a water supply for the city of New Westminster. This property formed part of the watershed for that supply, and under the usual arrangement as to preserving the purity of water supplies in municipalities, nothing was ever done in regard to this lease. There was a further application in the matter. I think the mistake my hon. friend refers to in connection with the department lay in the fact that some time in 1910 an order in council was passed setting aside the whole of that territory, overlooking entirely the fact that this particular berth had been leased. There also appears to have been an arrangement in the first instance entered into between the Hon. Frank Oliver, when he was Minister of the Interior, and the municipal authorities in connection with the water supply, which was later amplified, confirmed and carried perhaps a little further. As to that I do not know, because I have not been able to find the original papers, but I gather from the file that it was confirmed and adopted by Dr. Roche when he was Minister of the Interior. My difficulty to-day is that I cannot say now whether or not this vote should pass. It is impossible for the members of the House or for the minister really to acquaint themselves with the story of this whole transaction in the dying days of the session. It is another instance of one of those things which ought not to be done—the resurrection of old claims and their presentation in the dying days of the session. Two sessions ago we had some pretty good examples of this, and we had considerable discussion in cases where old claims were presented which were without legal authority, and settled without any proper investigation. My protest in the first instance is against the continued practice of bringing down claims of this character under circumstances that give no proper opportunity for consideration and discussion. My hon. friend himself, in the way in which he introduced it, has not covered the case at all. He has given us no more than a bird's eye view of a long, complicated situation. He has given us a small sketch of the memorandum he had in front of him, and this memorandum is only fragmentary as compared with what the files show. In the first place I point out that this matter starts in 1907. In 1907 this particular berth, No. 507, was put up for sale by tender and it was acquired for the sum of $43,344. The matter rests there until in May 1909 the berth is assigned to the present claimants, Messrs Irwin and Hall. The file disclosed different things in connection with the berth. It discloses for example that the deal was an unfortunate one, that the ground was of such a character, so broken up and so rough, that the timber was not worth anything on account of the expense which would be entailed in lumbering operations. I do not know of course whether those statements are correct or not.

Mr. STEWART (Argenteuil): I think my hon. friend has been confusing the matter by reference to certain areas of the berth that were not included in the reservation for the preservation of water. The area alienated for the purpose of purification of water was quite available for logging; but that question did arise in our endeavour to settle the matter later, and there is an area on the other side on the height of land lying over to the southwest that will be available for logging probably in the very near future. The railway is built into another berth that adjoins it.

Sir HENRY DRAYTON: However that may be, I am pointing out the difficulties the file itself shows.

Mr. STEWART (Argenteuil): My hon friend is quite right.

Sir HENRY DRAYTON: I do not think there is room for much argument as to whether it applies to this berth or not. I notice the memorandum on the file of December 21, 1917 to the deputy minister. It comes from the Timber and Grazing Lands branch, and I think the history is given here fairly well. I read the following:

> As you may recollect in 1910 a reserve was made by order in council of certain timber on Coquitlam lake, with the object of protecting the waters of the lake, from which the city of New Westminster take their water supply. Through an oversight on the part of the branch which handled this reservation, the reserve included a portion of berth No. 507, which had

previously been granted to Messrs. R. R. Hall and William Irwin of Peterborough. Some time ago it was rumoured that this berth was going to be operated and the city officials of New Westminster protested against the berth holders being allowed to operate that portion of their berth which lay within the reserve. The matter was referred to the Department of Justice, and, as anticipated, they held that the berth holders had the right to cut the timber covered by their license if they so desired.

I may say that apparently in the ten-year period between 1907, when the lease was given down to 1917, the right seems to have been left with the holders of the license to cut and sell that timber if they so desired. This memorandum continues:

As a preventive to the contamination of the waters of this lake, and any other waters which might in future be similarly affected, the timber regulations were amended so as to place certain restrictions on operators.

A joint inspection of the portion of the berth affected was made in October, 1916, by an official of the Timber and Grazing Lands branch and an official of the Water Power branch.

This is an inspection, not of the other part as suggested by my hon. friend, but of the part covered by these restrictions put on in connection with the water supply of New Westminster. That is, unless the file is absolutely wrong. It goes on:

Our inspector reported that the examination of the berth convinced him that there was no likelihood of the portion of the berth affected being logged in the near future, as the ground was rough and at the price which then prevailed the timber could not be removed at a profit. The inspector was of the opinion that the agitation regarding the logging of the berth had been aroused for the purpose of inducing the government or the city of New Westminster to purchase the licensees' interest in the tract affected, and he recommended that matter be allowed to stand in abeyance until some definite move was made by the interested parties.

If my hon. friend desires to interject anything at that point, I shall be glad if he does. I am pointing out from the report of the department of December 21, 1917, what the result of the inspection was of the portion of the berth affected. We are told that the land is just what I said at the commencement, of such a character that, during the war period, when lumber was high—and we all know it was high then—it would not pay to conduct logging operations. Then the memorandum goes on:

In July last Mr. Irwin who was then in British Columbia, wrote our agent at New Westminster that the licensees proposed operating the berth in the near future and that they were prepared to consider a proposition of compensation for the timber affected.

Later on Mr. Hall wrote along the same lines, pointing out that the owners were prepared to consider the selling of the timber on the tract affected to the department or the city of New Westminster, or making an exchange for other timber; and has recently been urging the department to make a survey in order to ascertain just what portion of the tract is within the watershed of Coquitlam lake, I may here say that the whole of the portion of the berth included in the reserve does not drain into the lake. A portion drains into Gold creek, and any operations conducted on the tract within the watershed of Gold creek would not, of course, affect the water in the lake.

In view of the nature of the report made by our inspector as to the feasibility of the licensees operating that portion of the berth referred to, the probability is, as pointed out by the inspector, that the licensees have not any intention of operating the tract in question, but are endeavouring to sell to either the government or the city of New Westminster timber which is practically of no value to them. I have discussed the whole matter with Mr. Weld, of the Water Power branch, and he is of the opinion that even if the licensees did operate that portion of the berth which drains into the lake, the interests of the city of New Westminster would be reasonably well protected if the licensees carried out the conditions of their license which pertain to the pollution of waters.

He goes on:

Should the tract be operated, and it is found that compliance with the conditions of the license is not a proper protection against the contamination of the waters of the lake, it appears to me that it would be a matter for the city of New Westminster and not for the department to arrange with the licensees.

I recommend that the licensees be advised that the department does not propose to take any steps towards purchasing their interest in the timber on the tract in quesion or granting them other timber in lieu thereof.

As I say, I do not know whether that report made by apparently an official of the department in good standing, the gentleman in whose charge the matter is, Mr. York, is or is not correct. But if it be correct, the situation is that we are paying for timber which, according to him, is useless to those gentlemen owing to the fact that it will cost them so much to get it out. That may or may not be correct. There is in the files so far nothing which shows it to be incorrect. The first reference made to this question as to the territory being of such a character that there is no money in it is, I have noted, in the report of October 18, 1916, and that report, I think, must be referred to in part in the summation made by Mr. York which I have just read to the House. Right down to the time when what appears to be the first report was made on October 18, 1916, as to the character of the land, absolutely no attempt was made to do anything with this property.

10 p.m. Again, if the information we gather from the report is correct— and I assume the government's position is that it is correct—the first thing that we see as to any suggestion of working this lease is, so far as my reading goes, to be found in a letter of July 12, 1917. I admit at once that it is a very hurried reading, and I have not covered anything like all that is in the file. I simply have not had the time. The suggestion was made in the report of October 18, 1916, that if anything was said at all about working this berth, it would be only for the purpose of getting

either the government or the city to buy the licensees out. The first evidence that I find of their wanting to work it comes, of course, after that suggestion by this letter from Mr. Irwin of July 12. He writes in that letter which is to the Dominion crown timber agent at New Westminster:

> The owners of Dominion timber berth 507 have decided to institute logging operations to take the timber off this timber berth, and I am attending to the matter while at the coast. We understand a portion of this timber berth is within the boundaries of the conservation of water area of the city of New Westminster, and that the city desires to keep the timber in this area intact. We regret the conflict but are situated so that it is of necessity for us to get the matter of taking off the timber under way at once.
>
> My only object in writing you is that I understand the city has made some representations to the Dominion government with reference to the preservation of the timber within the area mentioned and to say that the owners of the timber berth would be quite reasonable in considering any proposition of compensation for the timber upon that portion of T.B. 507 within the conservation area, or of any alternative proposition which might be made. The matter, however, will have to be attended to at once as we are desirous of making arrangements with one of several parties with whom we are now negotiating, looking to cleaning up the timber berth. The only method of logging the timber berth which could be considered would be that of putting the logs in the lake and driving the river.
>
> Kindly let me hear from you within the next few days as to what position, if any, the city of New Westminster desires to take in the matter.

Thus the question of the working of this limit was brought up, so far as I have been able to find out, for the first time. Matters rested there. The next thing that struck me as very important is the memorandum of January 30, 1919, to Mr. Challies. From that memorandum it appears the brief was prepared by Mr. H. W. Grunsky, who seems to have to do with the legal issues in the department. In his view the department is under no liability in the case. I do not want to hold up the committee by discussing the whole of this lengthy memorandum, and I will content myself with reading this short extract:

> If Mr. Grunsky's view is the correct one, it does not appear to me that the department is interested in the case, it being one between the berth holders and the power company.

That, I think, is where the question of the dam referred to by my hon. friend comes in. There is a big dam—put in by the power company, I think, not by New Westminster—and this constitutes an additional difficulty, for I suppose it makes logging operations impossible. My hon. friend says it is 88 feet. I accept his statement at once. With that dam there it is quite clear that these berth holders cannot log that district very well through the lake, they would have to go down the other way and either use the railroad or the other water which I have already referred to. But I would point out to the House—and my hon. friend will tell me whether this is right or not—that if the difficulty be, as pointed out by him, the building of this dam, there can be no possible liability in the Dominion.

Mr. STEWART (Argenteuil): The liability is for the granting of the closed area.

Sir HENRY DRAYTON: The Dominion surely has the right to grant its water-powers.

Mr. STEWART (Argenteuil): It is the closed area under the lease.

Sir HENRY DRAYTON: That is a different matter entirely. Suppose we take the liability here, as stated by my hon. friend the Chairman, that that 80 foot dam had been erected and these transactions could not be carried on—supposing that is right, and I am going to accept it—what liability can there be on the department or the government? My hon. friend knows perfectly well that the liability, if any there be, is on the power company in not maintaining a proper by-pass, or some other arrangement, in order that those logs can be carried through; so far it has never been looked upon as a liability of the country.

Mr. STEWART (Argenteuil): But my hon. friend forgets that the logging operations were stopped on account of the pollution of the water that was going to be used by New Westminster. It was not particularly the building of the dam, but the restrictions placed upon the logging of the berth, which could very readily be logged into the Coquitlam river.

Sir HENRY DRAYTON: But my hon. friend must see that if the dam was there, and the logging could not be done anyway, the falling back on the other matter is an excuse, not a reason. Down to 1917 the department was taking the position: We have put in reasonable regulations under which the water will not be polluted; go ahead and cut. And why should they not go ahead? Because we have this dam which is spoken about, and the opinion then given makes it perfectly clear:

> If Mr. Grunsky's view is the correct one, it does not appear to me that the department is interested in the case, it being one between the berth holders and the power company.

There we are. I do not know whether the department has had an opinion from the Deputy Minister of Justice since, saying that Mr. Grunsky's law is wrong. But if he is

right, in law there is no justification for what we are doing.

Mr. STEWART (Argenteuil): My hon. friend is building up an argument against treating with these men at all. All the ministers who preceded me appeared to be quite willing to make an exchange. I never attempted to do anything else. I quite believed that these berth holders were entitled to consideration. We have had the timber valued half a dozen times, and I think my hon. friend will recollect that Mr. Craig made the most recent valuation. We were trying to made an exchange, as we frequently do for various reasons, for instance, that the berth cannot be logged. But what I would point out to my hon. friend is that that was the established policy of the department, and that is what I recognized it to be—to give to these parties an exchange for their property. We still have the timber, which my hon. friend will agree is increasing in value all the time, because it is becoming more difficult every year to secure timber—even the timber over the height of land in berth 507 is becoming more valuable—and we will get our money back. That is what I want to point out to my hon. friend in connection with the whole transaction.

Sir HENRY DRAYTON: I am simply doing the best I can with the file I have before me in the very limited time at my disposal. I wonder if my hon. friend has read the memorandum of the branch of June 6, 1919, when the whole matter is gone into and particularly the policy of making provision for a log chute is discussed. For example, this, as bearing out the difficulty of doing anything with timber on that property:

An explanation on file shows that the consulting engineer took the position that the river was entirely unadapted for logging, and that the omission of the log chute could not affect the position of the timber licensees, and that a railway would have to be built in any case to get the logs out properly.

Of course, if that is true, the building of a dam did not make any difference; the property could not be worked anyway. There is the reason why we have the tremendous delay, and if that memorandum is true the property simply could not be worked.

Engineers of the Waterpower branch state unofficially that Mr. Freeman's view about the unadaptability of the river for logging is correct. They also point out that mechanisms have been incorporated in the dam for the release of large quantities of water into the stream if required below the dam for logging purposes,—

And so it goes on. But I have not been able to find anything which says we are liable.

[Sir Henry Drayton.]

Paragraph eight at page five of the memorandum reads as follows:

On the question being referred to the Department of Justice, the above position was substantiated,—

That is, I presume, as to the absence of liability.

—and upon a second reference to the same department a few months later, the opinion was given that the city would have no claim against the crown for damages for the flotation of logs down Coquitlam lake.

I cannot find anything here as to liability. On the very question of this claim, at page 7, the memorandum proceeds:

The timber berth owners ask for $125,000 damages this amount being based on the value of the timber in the entire area of the berth. They do not seem to recognize, or perhaps have not the facts at their command, to show that the timber from a large part of timber berth No. 507 can be marketed as easily as before the dam was constructed.

And it goes on in connection with the watershed of the Gold creek, pointing out that so far as at any rate the major part of this property is concerned all this trouble about the Coquitlam watershed has nothing to do with it at all; that it could all be looked after.

Mr. STEWART (Argenteuil): That cannot be so.

Sir HENRY DRAYTON: I do not know; I am simply reading from the report of officials of my hon. friend's department, officials who are supposed to know what they are talking about.

Mr. STEWART (Argenteuil): There is no question that there is a certain portion of the berth that is inaccessible.

Sir HENRY DRAYTON: Yes, and according to Mr. Grunsky, the larger part is. The report I am referring to is the one of June, 1916. Now, the matter goes to the Justice department, and I would like my hon. friend to tell me—I think I asked it before, but we did not get a categorical answer—what the position of the Department of Justice is as to this claim.

Mr. STEWART (Argenteuil): I never discussed it from that point of view at all. The claim when I had anything to do with it was one of exchange—there was an effort to arrange an exchange.

Sir HENRY DRAYTON: The previous government were of the view that before any money could be paid, the question of the country's liability ought to be established. An opinion was obtained from the Department of Justice, dated May 9, 1921. It was given by the then deputy, now Mr. Justice Newcombe

of the Supreme court, and he points out that there is nothing to substantiate any suggestion of legal liability. Has my hon. friend read that opinion?

Mr. STEWART (Argenteuil): No.

Sir HENRY DRAYTON: Well, there is one of the difficulties of dealing with this case. The minister does not know the legal right of these gentlemen to get $120,000 of the taxpayer's money. I had better read what that opinion says:

> In the case then under consideration the minister advised that allowance of the entry desired would not seem to be unreasonable, but that the expediency of it was a matter for the consideration of the Minister of the Interior and His Excellency in Council. I think these powers may be invoked to justify approval of a recommendation in the present case,—

That is, as to exchanges, as I understand it.

> —and that it would not be unreasonable to authorize the licensees to cut timber of corresponding value upon Dominion lands in an other location in consideration of surrender of their existing rights, but while I am disposed to think upon the authority aforesaid that the power exists to authorize these arrangements, the question of propriety or expediency is to be determined by the Governor in Council.

Not one single word as to their being any liability on the part of the country.

Mr. STEWART (Argenteuil): Well, where licensees had allowed their berth to go uncut for a number of years and the government stepped in and prevented the cutting advantageously of perhaps the most accessible portions of the berth, surely the licensees were entitled to some consideration. I never questioned the right of exchange; the difficulty was we never could reach an agreement as to value. I recommended that rather than give more valuable timber we pay back to the licensees the expenditure made and keep our timber, because my own opinion is that we will eventually be very much better off with the timber than we would be by making the exchange. Of course, the $120,000 is in coin of the realm; the licensees get it and we keep our timber. The hon. member has gone into a long argument as to legality. From the strictly legal point of view I suppose we could say to the licensee: "You have got your berth; do what you like with it; we will not recognize any liability on our part for interfering with your rights and privileges." But in dealing with matters of this kind, if by inadvertence or some other circumstance the government by its action destroys the investment of the licensee, surely the licensee is entitled to some consideration on that account. I think my hon. friend would agree with other ministers who have dealt with this matter that an exchange should be arranged if possible.

Sir HENRY DRAYTON: The minister's statement overlooks the real facts of the case. It overlooks the erection of the eighty foot dam, for which this government certainly is responsible. It overlooks the state of the river, which cannot be fed in the ordinary way by these logs, and which his own department says cannot be used for that purpose. It overlooks the fact that the conditions out there were such that from 1906 up to 1916 no one thought of doing anything with it—not until it is known, as pointed out in the report of the previous November, that there are difficulties in the way and there is some chance of their getting paid either by the city of New Westminster or by the government. But the point I am really emphasizing is this: that it is absurd to expect any proper consideration of a matter of this kind on a supplemental estimate brought down at this hour of the session. I am just going to finish with the legal question now. The matter was again sent to the Justice department on September 20, 1921, and Mr. Newcombe gives another opinion. He first acknowledges the letter and says:

> In reply I beg to state that I have nothing to add to the opinions in regard to the above matter given by me in my letters to Mr. Cory of the 25th of October, 1919, and the 9th of May last. If by "valid claim", you mean "legal claim" my reply must be in the negative, but as stated in the opinions just referred to it is open to the Governor in Council if he thinks it expedient to make an exchange of timber berths.

That is as far as the Justice department could go, and I submit that they were right in their opinion that there is absolutely no legal liability. The situation is an unfortunate one. It is very unfortunate that these gentlemen should have been held up by all these different matters in connection with their investigation. But why should the Dominion have to take on the whole burden in the absence of all legal liability? Here we have nature itself making that berth, which is valueless until a railway is built, and if the records of the department are to be relied upon—my hon. friend will not say they are not—they show that the river cannot be used, irrespective entirely of the dam; that the river was such that it was not at all suitable for logging operations. In short, the investment was a mistaken one. Here is a lot of timber that the licensees could not have removed irrespective of anything whatever about New Westminster, except at a greater cost than the timber would be worth even in the war period, and now we are called upon in the dying days of the session without the slightest proper opportunity of considering

this matter, to say that these two gentlemen shall have $120,000. I am not in a position to say whether the whole of this is wrong or not, but I do point out that it does seem absurd that against the reports of the officers of the department, against the reports that the timber cannot be removed, against the fact that an eighty-foot dam is built over which we have no control, and for which we are not liable, giving absolutely no chance of logging operations going on, against the fact that the reports of the department show that unless the railway be built this timber is valueless—

Mr. STEWART (Argenteuil): My hon. friend is confusing his explanation because the railway, referred to is the railway built into the southern block, and which when built allows logging to be done quite acceptably, but my hon. friend is referring to a railway being built into the area which the Coquitlam river formerly served before the dam was erected. There is no provision made there for logging, but even if there was provision made for logging, the reservation placed upon the reserve was where the difficulty started in the first place.

Sir HENRY DRAYTON: Which reserve?

Mr. STEWART (Argenteuil): The reserve to preserve the portion of the accessible area.

Sir HENRY DRAYTON: Is my hon. friend referring to the order in council of 1910?

Mr. STEWART (Argenteuil): There is no doubt that so far as the legality of the scheme is concerned you could say to the licensees: Keep your timber. But you have stepped in and deprived them of the privilege of logging, made it very expensive, and the logical thing to do was to exchange that timber for timber of equal value, just as we are doing at Banff national park to-day, because we do not want the licensee to cut the timber and destroy the scenic value of the park. I am trying to substitute for that timber other timber of equal value. But in this particular case we did not seem to be able to come to an agreement about it. Always there was a difference of opinion as to the value. My hon. friend is keeping away from the question of the value of the berths altogether.

Mr. FORKE: How was this value reached?

Mr. STEWART (Argenteuil): Upon the estimates of trained cruisers.

Mr. FORKE: On the part of the government?

[Sir Henry Drayton.]

Mr. STEWART (Argenteuil): Yes, and on behalf of the licensees.

Sir HENRY DRAYTON: The chairman has called my attention to a later report to council by Sir James Lougheed. There was no action taken by council except that the matter was referred to the Department of Justice. This will show the view of Sir James Lougheed:

> The city of New Westminster takes its water supply from Coquitlam lake, and the Vancouver Power Company have constructed a power dam on Coquitlam river at the outlet of the lake, using the lake as a reservoir. With a view to preserving the waters of the lake from contamination and to regulate the supply for both the city and the power company, an order in council was passed in 1920 establishing the Coquitlam Conservation reserve, which covered the watershed of the lake; and in this connection an agreement was entered into in 1913 between the city of New Westminster, the Power Company and the Crown. Through an inadvertence, the northern portion of timber berth No. 507, comprising approximately 4,256 acres, was included in this reserve, and Messrs. Hall and Irwin now make application to be granted other timber in lieu of that contained in their berth, and advance the following in support of their application:

My hon. friend will find on the file, in the first instance, a legal opinion that the original order in council of 1910 did not control the situation, and in the second instance, that in so far as the city was concerned, the regulations which were then drawn as to the manner in which logging operations were to be carried on would enable logging to be done without any danger to the city's water supply. The report goes on:

> That they were advised by the mayor of New Westminster that if any attempt were made to remove timber from their berth into Coquitlam lake, he would apply for an injunction restraining them from doing so:
>
> That the mayor took the ground that the city had the right to preserve the purity of the water of the lake, and had also the right to preserve the timber upon the lands within the reserve:
>
> That the Vancouver Power Company had erected a dam across the Coquitlam river, at the outlet of the lake, without a sluiceway for the passage of logs, and had diverted some of the waters from the Coquitlam river, thus preventing them from bringing their logs down the river:
>
> With a view to removing the possibility of litigation arising among the parties interested, as a result of a portion of berth No. 507 having been included in the conservation reserve, the undersigned recommends that the licensees of berth No 507 be allowed to select, in lieu thereof, other available timber on Dominion lands of equal value.

I see that the action that was taken by the Privy Council was to refer the report back to Sir James Lougheed on November 24, 1920, and in April, 1921, it was referred to the Department of Justice. I am not going to detain the committee any further, Mr. Chairman.

An hon. MEMBER: Hear, hear.

Sir HENRY DRAYTON: I am so glad to be able in some way to please the hon. member. It makes me feel quite happy now, so much so that I am tempted to go on and stop again just for the purpose of pleasing him when I stop. We will have another start and another stop and some more pleasure for my hon. friend.

Mr. GORDON: I do not want to compel the stop that my hon. friend mentions, but I might point out that before Sir James Lougheed made his report, cruisers were sent out to examine this berth. The members of the syndicate also had their cruisers go to British Columbia, and in the report of Sir James Lougheed it is mentioned that they took several months. Finally he came to the conclusion that this berth should be exchanged for timber of equal value. The city of New Westminster was threatening litigation. As a matter of fact, on the Coquitlam river logging operations have been carried on for a great many years, vast quantities of logs having gone down the river. Whether the timber on this berth was available for ready cutting and placing in the river, I do not know, but at all events the timber was of some value to the persons who bought this berth, and Sir James Lougheed, appreciating the value of the Coquitlam river for the purpose of floating the timber on that side of the berth adjacent to it had this inquiry made. As will be seen by the report, he appreciated the fact, too, that this reserve having been created and an agreement having been entered into with the city of New Westminster which prevented the licensee from cutting this timber, the Department of the Interior was unable to deliver the property which it had agreed to sell to these licensees; that is, they were unable to give the right to cut on this berth.

Sir HENRY DRAYTON: I am going to give the file to my hon. friend and ask him to read what he is saying from the file.

Mr. GORDON: As a result, Sir James Lougheed came to the conclusion that they had a good case; otherwise he would never have recommended that they be given in lieu of this berth timber of equal value.

Sir HENRY DRAYTON: Let the hon. member read it.

Mr. GORDON: I do not need to read it.

Sir HENRY DRAYTON: The hon. member knows it is not there.

Mr. GORDON: The inference is a fair one. It was drawn to the attention of the minister of that day that the city of New Westminster was threatening proceedings against any persons who might attempt to interfere with their power rights and he had an enquiry made by the officials of his department; and the conclusion he reached was that the licensees should be given timber of equal value because in his opinion they had a good claim. During his tenure of office it was impossible for his officials to come to any agreement with the licensee for another berth and for three or four years cruising took place every summer on other berths. On two occasions at least the suggestion was made that the licensees should accept other limits but no agreement was reached between the department and themselves. They wanted more than the department was prepared to give them and the result has been that these men have allowed, not the $126,000 which they paid, with interest and so forth, but $120,000. This means a net loss to half a dozen in the syndicate of some $22,800.

Sir HENRY DRAYTON: I asked the hon. gentleman to read from the memorandum but he would not do so for the simple reason that he knew it was useless. He afterwards said that he was drawing a deduction. Well, we can all draw deductions.

Mr. GORDON: I said that it was the deduction that Sir James Lougheed drew.

Sir HENRY DRAYTON: The situation really was this: Sir James Lougheed saw the danger of litigation and he made the suggestion that timber should be exchanged. That is all there is to the Lougheed recommendation.

Mr. GORDON: Sir James Lougheed recognized that the licensees had a good claim in law. Their position was that if the power company attempted to interfere with their rights by flooding the land back of berth 507 they would apply for an injunction to prevent the operation of the dam. And the city of New Westminster itself was threatening proceedings if the company attempted logging operations contrary to the regulations. So that the whole question was in a state of threatened litigation and when the matter was drawn by the city of New Westminster to the attention of Sir James Lougheed he adjusted the difficulty, or rather attempted to adjust it, in the comprehensive report he submitted. But the fact is that he recognized that there was a claim strong enough to warrant him in recommending to council that an equal value of timber should be given to the licensees.

Mr. BRETHEN: I understood the minister to say that this money is given to reimburse the licensees for expenditures made on the property.

Mr. STEWART (Argenteuil): Not altogether. There have been expenditures in connection with the surveys on berths proposed for exchange. These disbursements amounted to some $22,000 and interest was allowed only on actual investment in the berth in the way of fire dues and ordinary timber charges.

Mr. BRETHEN: The initial selling price of the property in 1907 was $40,000.

Sir HENRY DRAYTON: Forty-three thousand. There has been no work on the property at all. Hon. gentlemen will see now how difficult it is for us to do anything intelligently with this vote. How many hon. members understand the issue now?

Mr. HEALY: None.

Sir HENRY DRAYTON: None; there you have it. I thought the irrepressible member would interject a remark of that kind.

Mr. HEALY: It seemed clear enough to the committee until you tried to explain it.

Sir HENRY DRAYTON: I had expected something of such brilliancy from the hon. member, whose name will be famous in verse. But I was pointing out how ridiculous it is to expect anything like a sensible vote in this House on this question at the present time. Why, the Chairman himself (Mr. Gordon) is absolutely all wrong; and he has studied the question. He says that Sir James Lougheed came to a certain legal conclusion. But with much deference to the Chair I suggest that Sir James Lougheed never did anything of the kind; there was a total absence of anything like a legal conclusion in the matter, for all that was done to send a report to the Department of Justice. The hon. gentleman is absolutely wrong.

Mr. RAYMOND: Gently.

Sir HENRY DRAYTON: What is that?

Mr. RAYMOND: I said, gently.

Sir HENRY DRAYTON: I apologize to the hon. gentleman for interrupting the current of his thoughts which I am sure must have been directed towards a proper solution of the question. This claim is not new; it is so old that it is hoary. It has been hanging fire not for months but for years and having been referred to the former government it was rejected. The Prime Minister shakes his head. But he has not been here during this discussion and he does not know anything about it. He has never gone through the files and he does not realize that to-day he is putting through a vote of $120,000 after the Department of Justice in two opinions has held that there is absolutely no legal liability. That is the opinion of the Department of Justice; yet here we are, in the dying days of the session, with the House knowing absolutely nothing about this matter, being asked to vote this sum of money. If the vote is passed the government must accept responsibility for jamming it through.

Mr. FORKE: When did all these negotiations take place? The matter must have been on the tapis for a long time.

Mr. STEWART (Argenteuil): Yes, ever since I became Minister of the Interior; and as hon. gentlemen have heard, it was under consideration before then.

Mr. FORKE: When was the final settlement made?

Mr. STEWART (Argenteuil): I cannot give the exact date.

Mr. FORKE: This is a hard nut for members to crack—$120,000 to two men for a claim we know nothing about.

Mr. STEWART (Argenteuil): I was never willing to give the amount of timber these gentlemen thought they were entitled to. I never questioned our liability to supply them with timber in lieu of their original berths, and as a matter of fact I think I have made a very much better bargain with them by retaining our timber, which will become much more valuable as time goes on. The government never likes to give back money. I have half a dozen cases of a similar character pending and it is not an easy matter adjusting these difficulties. I find it the most difficult thing to accomplish.

Mr. HOEY: Was it a private corporation that was responsible for the flooding of this district in the first place?

Mr. STEWART (Argenteuil): It was done originally by the city of New Westminster and municipalities.

Mr. HOEY: Would you not have some claim against the city? Did litigation ever take place?

Mr. STEWART (Argenteuil): No, it never did, because we never changed the berth.

Mr. HOEY: Are they paying part of this compensation?

Mr. STEWART (Argenteuil): No. This is based on repeated cruises of the berth and values placed upon them.

Mr. HOEY: Does the minister not think New Westminster had some responsibility?

Mr. STEWART (Argenteuil): I have no doubt it could be established by litigation, but that is not a very good method of finding out what the liability might be. We have our timber there. I am bound to say that the most recent estimate I have in regard to the timber I have spoken of so often over this height of land accessible for logging when the railway is built in is that it will more than half pay the money we are paying now. Perhaps that is a sanguine statement to make, but I think it will.

Item agreed to.

To provide for the payment to John R. Vicars from July 1, 1924, of an annuity at the rate of $1,020.60 per annum, being the amount which had been recommended by the Civil Service Commission under the provisions of the Public Service Retirement Act, $1,786.05.

Mr. STEWART (Argenteuil): This is the case of John R. Vicars, who was an engineer in our department, and who accepted retirement upon being notified that he would be entitled to a certain annuity. This is based on the length of his service.

Sir HENRY DRAYTON: Carried.

Item agreed to.

For the enlargement of the western outlet of lake of the Woods and the provision of suitable control works therein in conformity with the recommendation of the International Joint Commission (including re-vote of $200,000), $800,000.

Mr. MEIGHEN: What is this?

Mr. STEWART (Argenteuil): This is the cost of the enlargement of the outlet at the mouth of the lake of the Woods at the Norman dam.

Mr. MEIGHEN: Backus owns that dam.

Mr. STEWART (Argenteuil): Yes.

Mr. MEIGHEN: Why do we pay him for this?

Mr. STEWART (Argenteuil): This is our share of the cost. This is really the government's part of the work that is being constructed, and in order to establish the value of this work I had tenders called for.

Mr. MEIGHEN: Who will own it after it is built?

Mr. STEWART (Argenteuil) We are not contributing anything to the Norman dam proper, except to the sluice ways. The dam is owned by E. W. Backus.

Mr. MEIGHEN: Is that not an improvement to it?

Mr. STEWART (Argenteuil): Yes. This is to blast out a channel under the Canadian Pacific Railway bridge and widen it to give an outlet for the flowage, provided for in the decision of the commission with respect to the control of the lake of the Woods, and while that is being done repairs are being made to the Norman dam as well.

Item agreed to.

Mr. MEIGHEN: Has the minister any estimates in the Interior department affecting northern Quebec under which would come provison for the Eskimos and Indians east of the Hudson bay in the territory under the charge of Rev. Mr. Walton?

Mr. STEWART (Argenteuil): Yes, I am going to call one.

For the relief of distress and medical attendance among the Indians of the Yukon Territory (Governor General's warrant of February 3, 1925), $6,000.

Mr. STEWART (Argenteuil): This is to assist in relieving the distress among the Indians of the Yukon Territory. Owing to an epidemic among them, we were forced to spend more money than we had allocated for that purpose, and I am asking for a further grant.

Mr. MEIGHEN: Has the minister been giving special attention to the tragic condition of these Eskimos east of Hudson bay? I refer to those who lost their means of support by the great fire of thirty or forty years ago, which drove the reindeer completely out of the territory. Will the minister tell me what the government is doing to take care of them, to put them on a self-sustaining basis, and avoid the decimation of their numbers which is going on at an appalling rate?

Mr. STEWART (Argenteuil): The reverend gentleman called to see me and gave me a statement as to the condition among the natives on the east coast of Hudson bay. The reindeer or cariboo which formerly subsisted there appear to have drifted down to the wooded area in the interior. For some reason the natives will not follow them. They prefer to live along the coast and take their chances of obtaining a livelihood from fishing and trapping, and I believe a very serious disaster happened up there a few years ago at one of the Eskimo camps. I have been discussing the matter with the Hudson's Bay Company officials. Some years ago we

brought a herd of reindeer into the area northeast of Fox island, in the Hudson bay channel leading out to the ocean. For some unaccountable reason, apparently lack of food, the reindeer did not do very well.

Mr. MEIGHEN: That is at Baffin's land.

Mr. STEWART (Argenteuil): Yes, and they almost completely died out. We have given the reindeer which we had on the coast of Labrador to Mr. Menier, who owns Anticosti island, and under his supervision they are increasing very rapidly, but we are not yet in a position to ship reindeer into that territory.

Mr. MEIGHEN: Does Mr. Menier own them?

Mr. STEWART (Argenteuil): No, we gave him the herd with the understanding that when they reached a certain number we would get the increase for the purpose of shipping into the northern country.

Mr. HOEY: Where is that herd located?

Mr. STEWART (Argenteuil): On Anticosti island. The American government have made a great success of breeding and rearing reindeer among the Eskimos of Alaska. The Hudson's Bay Company had their unfortunate experience with their herd there. We had our unfortunate experience with ours on the coast of Labrador, and I have been somewhat loath to ask for funds to purchase reindeer to put amongst these people, but I think that is the solution. We are now in negotiation with the Hudson's Bay Company, after we have investigated areas where there is sufficient moss for the maintenance of the reindeer, to enter into arrangements with them, as they send in a ship annually, to take in reindeer and to secure the services of a Lapp or preferably a trained Eskimo to put the reindeer amongst these people, because that seems to be the means of preventing utter starvation which frequently undertakes these unfortunate people when they are removed from the wooded area in severe winter weather.

Mr. MEIGHEN: I can take a moment's time to impress upon the minister the urgency of the matter. I agree that it was urgent before the minister took charge and it must be all the more urgent now. These poor people are living there in very considerable numbers, and when the reindeer took flight by reason, I think, of the great fire that devastated the territory, they were left destitute of the main means of subsistence. I do not think there is any way in which they could follow the reindeer. The reindeer went virtually to the Labrador coast.

Mr. STEWART (Argenteuil): They went south east to an area behind the Labrador coast.

Mr. MEIGHEN: They went a tremendously long way and these people had no other means of subsistence.

Mr. STEWART (Argenteuil): About seven hundred miles from their former territory.

Mr. MEIGHEN: The consequence is that, struggle as we may to keep the people from dying, we cannot do that without their natural habits being encouraged and, therefore, the environment kept so that they can live. If they are held there in tents they die. Tuberculosis has become an epidemic. It is not in their being to live as ordinary people can. Heredity demands other work, other exercise and another kind of life. I do not know any trust we have more sacred than seeing to it that some means of keeping up the Eskimo race is provided, and that they are not simply allowed to die right at our doorstep as mere dogs. It so happens that there is a man who has taken a special and life interest really in this territory, Mr. Walton. I remember making inquiries in my last year in the department as to the liability, earnestness, and capacity of this gentleman, and I got nothing but the most eulogistic reports of him. He has simply devoted his entire life to that service. He is a man of very considerable practicability. What he says is this. The reason the reindeer fled in Baffin's land was that the quality of moss on which the reindeer lives does not grow there. It is a moss, but not reindeer moss. Mr. Stefansson, who felt that he had the problem well in hand, seems to have erred very seriously there as elsewhere, and the contract that was made through his agency with the Hudson's Bay Company has proven unprofitable to that company. We were to get a certain rental from Baffin's land depending upon the progress of the enterprise. The same applies to the territory where we tried to rear reindeer near the shores of the St. Lawrence. According to Mr. Walton—and he seems to have his proofs very complete—the moss that is essential to reindeer life is very abundant on that north and northwestern coast. If they can be reared there and that animal life can be restored, our problem is solved. We do not need to bother any more. They can take care of themselves. That, with the sealing traffic is all they need. I do not like asking for further grants, but it looks to me, not only the part of common humanity, but as well the part of commercial wisdom, to see to it that under the proper kind of herders

reindeer are started up there. I am told that in Baffin's land as well the wrong kind of herders were taken in. I would wonder that the Hudson's Bay Company would make a mistake in this regard, but it really appears that they have. Everyone knows the tremendous success of the reindeer industry, that has been made in Alaska. It is really more in the nature of a romance than anything else. My advice is that all the conditions that obtain in Alaska obtain in this particular territory. It would be a wonderful thing for the country if we could get a population of animal life up there and not only wonderful for the country, but merely a discharge of our trust.

Mr. STEWART (Argenteuil): We have been making a very careful investigation in respect to the matter and we hope next year to have arrangements made for shipping some reindeer into that territory and to train the Eskimos in caring for the reindeer. The importation of the Lapp into that territory does not seem to have been a success. It is entirely new territory to him and conditions are somewhat new. But if we can train Eskimos to take care of the reindeer, I think we shall have solved the problem, because the Eskimo is undoubtedly very adaptable and picks up knowledge in almost any line with great rapidity.

11 p.m.

Mr. HOEY: Did the minister say he had provision in an estimate this year to relieve the present distress?

Mr. STEWART (Argenteuil): We have passed an item for that purpose.

Item agreed to.

Mines—amount required to increase the salary of Charles Camsell, Deputy Minister, Department of Mines, to $8,000 per annum, $2,000.

Mr. MEIGHEN: Is this the only one now whose salary has not been boosted to $8,000?

Mr. STEWART (Argenteuil): There are a considerable number. This was a mistake in printing when the estimates were brought down. My right hon. friend will remember that when we were dealing with the Mines department, I stated that I would have a supplementary to rectify that error.

Mr. MEIGHEN: What rule is the government following in giving some $8,000 and some $6,000?

Mr. STEWART (Argenteuil): I think all who have any extended service are getting $8,000.

Mr. MEIGHEN: How extended?

Mr. STEWART (Argenteuil): For a certain number of years as deputy minister, but prior to that, service in the department for some length of time. That does not apply all around, but that is very largely the basis upon which the increases are given.

Immigration—medical inspection, $80,000.

Mr. BELAND: There is an increase in this vote, but it will be noted there is a decrease of $25,000 in the preceding vote. We have made some changes in the regulations regarding the examination of ships and immigrants.

Sir HENRY DRAYTON: I suppose we are to understand that the former decrease was a switch?

Mr. BELAND: Yes.

Item agreed to.

Venereal diseases, $100,000.

Sir HENRY DRAYTON: There is a supplementary for that of $25,000.

Mr. BELAND: Yes.

Mr. BROWN: Mr. Chairman, it is a matter of regret to many members who wish to speak on this subject that it has come before the House at such a late date. Undoubtedly the medical profession have been familiar with the situation for a long time, but it seems only now that the people as a whole are being aroused to a sense of its gravity. It is generally contended that the question of health comes within the provincial jurisdiction, but it seems to me that in a matter of this importance there ought to be no conflict between the provinces and the Dominion. I understand that a few years ago organized work was begun by a grant from the Dominion to the provinces and to the Social Hygiene Council of some $200,000, and that, working in co-ordination with the Dominion, the provinces also contributed sums of money. The work thus begun has, during the last two or three years, been well co-ordinated, so that now there is a thoroughly organized movement being carried on for the control of these diseases. A year ago that grant was reduced by $50,000, and now there is a further reduction of $50,000, bringing the item in the main estimates down to $100,000. We are well assured by those who have given special consideration to this work that this reduction will very greatly handicap operations, and that the co-ordinated efforts that have been carried on for some years cannot possibly be continued. It would seem

to me very unfortunate if that should be the result. Representations have been made to the minister already, as he is well aware, and we feel sure that the sentiment of the country will be entirely behind us in our request that this amount should be increased to the $150,000 that was in the main estimates last year. I am speaking on this vote with the idea of encouraging the minister to go forward in his good work, and not in any way to handicap those who are giving it special consideration. I am well aware that a further item of $25,000 is placed in the supplementaries, but I wish to urge upon the minister that the original amount be restored, that it be distributed among the provinces and the Social Hygiene Council as has been done during the past, and that we, as a parliament, set ourselves definitely towards co-operation with the provinces in the elimination of these diseases. Not only from the moral standpoint is it desirable that we should do so, but it was brought very forcibly to the notice of the military authorities during the war that these diseases had taken a terrible hold upon the young manhood of the nations. I do not know the facts in regard to Canada, but I did see estimates made that when the United States authorities began enlistment they found that these diseases had made such terrible inroads that many young men could not be enlisted. I know there are a number of hon. members who would wish to support me in this proposition.

Mr. CAMPBELL: Mr. Chairman, I wish to associate myself with the hon. member for Lisgar (Mr. Brown) in suggesting to the minister that the amount spent for this purpose be substantially increased. I think as a nation we have perhaps not fully realized what this work means to us, and I believe we could very well spend considerably more money on it than we do at present. I hope that in future the minister will see his way clear to increase this vote.

Mr. WOODSWORTH: Mr. Chairman, I do not know that it is necessary to endorse the position put forward by the member for Lisgar. Anyone who has come in contact with social service activities in any way must realize the necessity of the work that is now being carried on. Until recently the provinces have not done a great deal along this line, and even though they are doing a certain amount of work, there is no doubt great need for the co-ordination of their efforts and for that general stimulus which can come only through a centralized organization. I should like to read a few striking statements that are contained in a memorandum which I have no doubt was furnished to many hon. members.

[Mr. Brown.]

Venereal diseases constitute the most serious of all public health problems. They are more prevalent than any other diseases. They cause more disabilities than any other diseases, and syphilis, one of the venereal diseases, causes more deaths than any other diseases. Therefore it outranks as a cause of death pneumonia, tuberculosis and cancer, the next three causes of mortality.

This statement needs no commentary. The Minister of Agriculture constantly comes before the House to press the necessity of spending large sums to protect the health of our animals, and it would seem to me that the least we could do is to spend a few hundred thousand dollars in protecting the health of our people. Let me quote one or two other statements from this memorandum just as they catch my eye:

Patients admitted into the Toronto General Hospital are as a matter of regular routine examined; these tests in 1917 showed 12 per cent of the ward patients admitted for ordinary complaints to be suffering from syphilis.

In 1918 the like routine examinations in the Montreal General Hospital showed that 26 per cent of all the patients were suffering from syphilis.

And again:

In one year as many as 24 per cent of the annual male admissions to Toronto Hospital for the Insane have consisted of general paresis, a fatal form of insanity always caused by syphilis.

The following statistics are, I think, sufficient in themselves to warrant the extension of care of this character:

Venereal Diseases Dealt with in the Dominion in the years 1921, 1922, 1923 and 1924

	1921	1922	1923
Total number of new cases admitted to clinics and institutions..	10,267	12,252	12,336
Total number of cases reported by physicians.. ..	15,189	16,220	15,477
Total number of new cases for year..	25,456	28,472	28,003
Total number of new cases admitted to clinics and institutions—			
Syphilis..	4,953	5,171	5,421
Gonorrhoea..	5,070	6,680	6,865
Chancroid..	244	401	240

When social diseases of this character have become so prevalent as this it would seem as if no expenditure is too great to be made in the effort to eradicate a disease which will poison the future generation of Canadians. One thing that appeals to me in the work that has been carried on is the stress that has been laid on the educational side of the work. A good many of the hon. members must have come in contact with the various exhibitions that have been put on, through which the public are being educated as to the seriousness of the ravages of these diseases.

Moreover, a large number of the younger people in the community are being taught something of the dangers on every side, and I hope are being warned in such a way that before very long expenditures for cures will not be quite so necessary. I hope the minister will see to it that in some form or other this grant may be materially increased.

Mr. TOLMIE: I have much pleasure in endorsing what has been said in support of this vote. It is rather regrettable that it has been found necessary to make this cut. In view of the splendid organization that has this work in hand, with proper financial support a great deal of very valuable work could be accomplished. I would point out in this connection what has already been done in the handling of diseases in the lower animals. By the expenditure of money, by proper organization and the efficient carrying out of this work we have been able in Canada in past years entirely to wipe out some of the diseases affecting the lower animals. By means of a thorough study of the difficulties surrounding that work I think there is every possibility of making great progress in handling other diseases affecting the human race. I wish to endorse the excellent work that has been done in this connection and also to call for all the support possible in carrying it on in the future.

Mr. BELAND: Nothing that the hon. gentlemen have said on this subject is out of place. I realize as they do the importance of the work that has been carried on in the provinces to prevent the spread of venereal diseases. The original vote in the main estimates was $100,000, and as a result of many representations which were made to the government by different bodies throughout Canada, especially by the Canadian Social Hygiene Council, we found it advisable to increase the amount by $25,000 in the supplementary estimates. Besides that, we have added to the ordinary grant to the Canadian Social Hygiene Council the sum of $5,000 in the supplementary estimates, so that we come very near appropriating the amount which was provided last year. I confess that if the financial condition of the country warranted the amount would be much larger. At all events I accept with pleasure the remarks that have been made in this connection.

Item agreed to.

Soldiers' Civil Re-establishment—unemployment relief, $200,000.

Sir HENRY DRAYTON: Does my hon. friend think that amount is sufficient?

Mr. BELAND: No, I do not think it is.

Sir HENRY DRAYTON: I do not think so either.

Mr. BELAND: In this connection we have entered into an agreement with the rehabilitation committee in Toronto which has created wide interest. A certain number of gentlemen in Toronto have got together, and have decided to make a serious attempt to provide employment for disabled ex-service men. The head of this committee is Mr. Melville White. He is supported by a number of prominent men, mainly manufacturers, who have lent their good will, as it were, in order to provide employment for these disabled ex-service men. They desired, of course, the co-operation of the government, and they formed a board of trustees composed of Mr. Melville White, Mr. Staples, and Mr. Gunn, who carry on the administrative work. They have already placed quite a number of returned men. On the 30th of April they had placed permanently 285 men, which I think is quite an achievement. The expenditure is about $30,000. Unless you have the goodwill and co-operation of the employers, it is almost impossible to succeed. We have a similar committee in Montreal, though not on so large a scale, Sir Arthur Currie being on that committee, and another committee in Edmonton which has done very good work. In Montreal they are just starting. In time these committees may be extended to Hamilton and other cities. At first the experiment was more expensive, but now we have reached the point where we pay only one man, whom we place at the disposal of the Industrial committee.

Sir HENRY DRAYTON: The item we have here, as I understand, is item 288. My hon. friend is addressing his remarks more to one phase of the activities in the cities, where you have these committees of employers who are co-operating, and very properly so, with each other, for the purpose of doing what everybody ought to be pleased to do, and that is to see that the returned man gets the first chance of employment and of rehabilitating himself if at all possible. My hon. friend mentioned three cities where that arrangement has been made. I hope that during the present year we shall no longer be left in that position, but that these activities will be extended to every place in the country where there is considerable employment. We should not have the three cities my hon. friend refers to standing out by themselves. At the same time, this work of organization and of getting employers interested in this most necessary movement is going along very slowly, if we

have it started in only three cities. But that, after all, is only one branch of the work. I said I thought the vote was too small, and my hon. friend agreed with me. What amount does my hon. friend think would be fair to take charge of soldier unemployment for the year?

Mr. BELAND: We have provided $150,000 in the supplementaries. We thought we would require more money especially on account of the strike in Nova Scotia. As a rule this unemployment among pensioners ceases almost entirely during the month of May, but this year in the strike area we have been spending a large amount each week, maintaining all the pensioners there.

Sir HENRY DRAYTON: I am sure the country will not begrudge, and certainly the opposition will not withhold any support, in looking properly after unemployment among the soldiers.

Item agreed to.

Pensions—European war and active militia, $34,000,000.

Mr. BELAND: This is always a big item It is to provide for pensions in connection with the European war and the active militia. There is an increase of $1,000,000 over last year, but it must be remembered that the time within which claims had to be presented for pensions expired on the 1st of September, 1924, and naturally a large number of claims were filed before that date with the pension board, and as a consequence, more awards have been made than in the usual course. In addition to that, the appeal board has also reversed a certain number of decisions, 190, I think, up to the 1st of April, and arrears have had to be adjusted, and still are being adjusted.

Mr. ROSS (Kingston): Has the minister considered making any change in the regulations in regard to a pensioner in the active militia who, having secured his pension, deserts his wife and family? According to the regulations the pensioner is entitled to keep all his pension and leave his wife and children behind without support. Several have deserted their wives and families in Canada and are now over in the Old Country, retaining their full pension, and leaving the wife and family to be supported by public charity.

Mr. BELAND: Does my hon. friend refer to the active militia or to the expeditionary force?

Mr. ROSS (Kingston): The permanent force. There was some suggestion that the law should be changed. Has anything been done in that regard?

Mr. BELAND: As my hon. friend is aware, the Militia Act is not in my department. I do not know that any change has taken place.

Mr. ROSS (Kingston): The payment of the pension is in your department.

Mr. BELAND: Yes.

Mr. ROSS (Kingston): And the minister still has to continue paying that pension, while the man's wife and family are supported by public charity.

Mr. BELAND: All that is at the discretion of the board, which examines into each individual case.

Mr. ROSS (Kingston): Several cases of this kind have been brought to the attention of the board, and they have ruled that they cannot interfere.

Mr. BELAND: They refuse to pay any part of the pension to the wife and children?

Mr. ROSS (Kingston): Yes, till the law is changed.

Mr. MACDONALD (Pictou): The question of militia pensions has been dealt with by the Department of National Defence. The point my hon. friend mentions has been brought to our attention, and we were considering introducing an amendment to the pension law this session to deal with that and some other points, but it has been decided not to do so until next year. I hope we shall be able to deal with the matter next session.

Item agreed to.

European war and active militia—further amount to meet the requirements of Bill No. 70, George V 15-16, 1925, sections 6, 8 and 10, $1,276,000.

Mr. BELAND. In view of certain amendments to the bill which have not passed parliament the Minister of Justice (Mr. Lapointe) moves that this item be reduced by the sum of $276,000.

Amendment agreed to.

Item as amended agreed to.

To meet the recommendations of the Royal Commission on Pensions and Re-establishment, George V, A. 1924. Sessional papers 203a, pages 74 and 75; to provide for the purchase of lands and the cost of erection of houses at Kamloops, B.C., for tuberculous ex-members of the forces, $15,000.

Mr. BELAND: This amount is for the purchase of land and the cost of the erection of houses at Kamloops, British Columbia, for tuberculous ex-members of the forces. This is in pursuance of a recommendation of the

parliamentary committee. It is more or less an experiment and is recommended by the royal commission and by several parliamentary committees. It is a very small amount and provides for 5,000 men who will be afforded the opportunity of living in these houses. The amount will be placed at the disposal of the Red Cross at Kamloops. They are going to supervise the building of the houses and they will also administer the rent and insurance. The amount that will be paid as rent will be sufficient to cover the interest on capital expenditure, the insurance and the depreciation, the total amount being met in twenty-five years.

Item agreed to.

Amount required to provide for expenses in connection with a trial shipment of Alberta coal to Ontario, with the object of determining the actual cost of carriage by rail, by payments to be made to the Canadian National Railways at the rate of $1 per ton, $25,000.

Mr. SHAW: Will the minister explain this item?

Mr. STEWART (Argenteuil): This money is to provide for an experiment to ascertain the cost of carriage of 25,000 tons of coal from a central point in Alberta to some central point in Ontario. The initial cost of $7 per ton is to be paid by the operators. If it should happen that the cost runs to $8 the federal government will pay $1 per ton and if as estimated by the railways the cost should be $9, the Alberta government will also contribute $1. That is the basis of the arrangement and a check is to be kept both by the Alberta government and by the railways.

Mr. ROSS: I thought this proposition had fallen down.

Mr. STEWART (Argenteuil): I had not been notified to that effect, but a few days ago Sir Henry Thornton made the statement that owing to the fact that there was a reorganization in freight rates he would not be able to carry out this experiment. Of course, if the arrangement does not go through we will not use the money. I have been accused of being somewhat recreant in my duty, it being said that I had not accepted responsibility in this matter. Now I do not want to be deprived of the necessary funds in case the arrangement should be revived and the shipment made.

Mr. ROSS (Kingston): There is a suspicion that there will be a shortage of coal in Ontario. I think the minister should be urged to see that something is done to carry out this experiment.

Mr. STEWART (Argenteuil). I have been extremely anxious to have it done. The arrangements were made three weeks ago and there has been a great deal of criticism on account of the delay both in Ontario and in the mining area, but I have been in no way responsible. I did not have the money voted but we had provision for it in the estimates and that is why I am asking that the vote be put through.

Mr. MACLEAN (York): Is everything ready now for the experiment?

Mr. STEWART (Argenteuil): Yes.

Mr. MACLEAN (York): Then go ahead so far as I am concerned.

Sir EUGENE FISET: Will the minister be kind enough to tell us what action has been taken in connection with the proposed legislation with regard to the production of coke from Canadian coal?

Mr. STEWART (Argenteuil): I am anxious to go ahead with this bill but there have been difficulties in two directions. Those who desire to have the matter gone on with feel that the assistance is not sufficient. On the other hand there was very strong opposition from some sections in this House to assistance of any sort being given, but I want to say frankly that if Nova Scotia coal, quite irrespective of the difficulties now prevailing, is to compete with the American product in the territory which belongs to it, some help will have to be given, and I am quite prepared to give the situation further study and make further recommendations. I thought the assistance was on fairly generous lines, but apparently there is some criticism of it. On the other hand there seemed to be some considerable opposition in the House to assistance of any sort. I do think that Nova Scotia coal has to have something to assist it if it is going to get into the market which rightfully belongs to it in this part of the country.

Mr. SHAW: The minister has told us something about the tripartite agreement between the federal government, the government of Alberta and the Canadian National Railways. I would like to know if it is in writing or if it is a verbal agreement, because I do not see how the Canadian National Railway Company can withdraw. I wish the minister would give particulars. I think if Sir Henry Thornton or the Canadian National have withdrawn, they should be urged to reconsider their position because, as was suggested by one hon. member, the position in Ontario may, in view of the possibility of an

anthracite strike, be very serious indeed. Alberta is anxious for the experiment and prepared to spend some money in the event of the cost being above a certain amount, and Ontario is prepared to assist. It is a valid agreement, and I think the Canadian National Railway should not fall down as far as they are concerned.

Mr. STEWART (Argenteuil): There is no agreement, but there is a letter signed by Premier Greenfield, Sir Henry Thornton and myself.

Mr. SHAW: It ought to be binding.

Mr. STEWART (Argenteuil): I had nothing to do with making the arrangement, it was made by the railway company and the Alberta government.

Mr. SHAW: It ought to be binding.

Sir EUGENE FISET: Will the minister inform me if it is his intention to consider résolution No. 46 on the orders of the day and take steps to encourage the production of coke from Canadian coal. I wonder if the minister would also inform the House whether it is their intention to proceed next year with the legislation which has been suggested, with reference to this question?

Mr. STEWART (Argenteuil): No, it is not the intention to go on with the legislation this year, but I pointed out that I was making a further study to see if I could meet the situation—because I admit it is a difficult one—and render assistance to establish those industries. I have no doubt a coke industry will be established in the eastern area without any assistance from anybody, but it will be coke manufactured from American coal.

Sir HENRY DRAYTON: I think I could answer the question asked by the hon. member for Rimouski as to what happened with this legislation. I thoroughly believe the Minister of the Interior was quite sincere in introducing the legislation, and that the Minister of National Defence was also sincere in his desire for it, but I know it is a matter of common gossip that it was never going on, that it would be withdrawn after the local election, and I do not think it ought to have been so withdrawn. I think that if there is one thing which above all other things is necessary to be done it is to take seriously this coal question. The proposal to establish coking plants which has been referred to has apparently been abandoned. I am sorry but I am not at all surprised. I thought it was going to happen, and just as soon as the local election was over it did happen. It is a great pity that it has been abandoned. It has very real merit in it, and there is a great national asset down in Nova Scotia with which we are doing nothing. If we were to do something with it, it would not merely help Nova Scotia and hon. gentlemen should not think it only in that sense. Why, one of these up-to-date gas plants in Montreal, where there is a large market for the by-product, would be just as good for that city as it would be for the mines of Nova Scotia. In fact, I believe they would make more money out of it. I believe there is more money to be made out of the by-product in connection with the gas proposition than is to be made out of the mines. I think they have an absolute law in Germany that no coal should be burned at all, and it is illegal to do it simply because the value of the by-products is so very great. I am sorry that the minister is not proceeding with that legislation, because failure to do so is not only bad for Nova Scotia but for central Ontario generally. It is bad for all of us. It is necessary that we should just as quickly as we can put ourselves in the position that we will be able to heat our houses and look after ourselves. The coal down there is first rate coking coal. I can assure the House that after the next election coking ovens will be plentiful in this country.

Mr. MACDONALD (Pictou): I think it is very wonderful to find, at the tail end of the session, my hon. friend coming along with such beautiful suggestions in favour of the proposition of producing coke from coal; but when the resolution of the hon. member for North Toronto (Mr. Church) was before the House I do not think I heard any such proposals. However, I am very glad, on behalf of the government, to have his assurance that legislation of this character will have his support. As to the introduction of the legislation having anything to do with the provincial election, I want to assure him that the issues in the election in the province of Nova Scotia had not anything to do with the doings of this federal parliament. I repeat I am glad to know the government have the assurance of my hon. friend's support, because in certain sections of the House there were members who were not inclined to vote subsidies which would enable Canadian coal to be manufactured into coke to warm the people of Ontario, and propositions of this kind were not altogether favourably received. The situation in regard to the matter is not so easy as my hon. friend imagines. To work out a proper scheme of assistance whereby coal transported from Nova Scotia or from Alberta can be

manufactured into coke involves consideration of a great many problems. As the Minister of Mines has said, after this legislation was brought down those interested in the legislation vigorously protested that the assistance was not sufficient to enable them to make the necessary expenditure to provide for the erection of the coke ovens. The minister has gone into the matter carefully, and I desire to say on behalf of the government that at the next session legislation will be introduced by the government providing for assistance to be given to establish coke ovens for the manufacture of coke.

Sir HENRY DRAYTON: My hon. friend is sincere about it. I wish his colleagues were just as sincere. Why should he not be sincere?

Mr. MACDONALD (Pictou): I want to help the provinces of Ontario and Quebec and I want to keep them warm.

Sir HENRY DRAYTON: If the minister is able to do missionary work in the cabinet he will see that a resolution is not brought down to be thrown into the discard, and that something will be done. He is entirely mistaken as to my attitude. I have always taken the same position as to coking.

Mr. MACDONALD (Pictou): I did not hear my hon. friend say anything in the House in regard to it.

Sir HENRY DRAYTON: I have never taken a contrary position. I have said that anything that could be done to look after Canadian coal should be done.

Mr. MACDONALD (Pictou): I am glad to hear it.

Sir HENRY DRAYTON: I have always held that view.

Mr. MACDONALD (Pictou): The hon. member kept it under his hat.

Sir HENRY DRAYTON: The hon. minister is entirely wrong. His memory is not very good. I have always taken the same position and have always supported such a proposition, and further I went this far in the House, despite my hon. friend's convenient memory—that I challenged a division in this House on that very policy when the government wanted to get away from the proper consideration of that question of the duty on coal and coal policy. I am not saying anything about his memory. It will get better when he looks over Hansard and studies that division when there was a solid vote on this side for the coal and a solid vote on that side against it. Apart altogether from these little pleasantries of party politics, there is a real interest here that ought to be served and the difficulties are not so great. I admit frankly there are difficulties about starting anything, but this is not new. Up-to-date and proper gas plants have been going on for years. Germany has made a tremendous success of this simply because she says: You shall not burn coal; you must burn coke. In that way she has acquired a monopoly of that enormous dye business that depends upon coal tar. I am glad my hon. friend assures me that so far as he can see to it there will be no more withdrawals of this sort of legislation next year.

Mr. MACDONALD (Pictou): My hon. friend will recall that on the division to which he refers his leader spoke against—

Sir HENRY DRAYTON: That was last year. My hon. friend's memory is very bad.

Mr. MACDONALD (Pictou): There is one thing I vividly remember. This is the first time I ever heard my hon. and genial friend make a proposition in favour of assistance to the Canadian manufacturers of coke from coal, I am sure Hansard will support me on that point. There are those who advocate assisting the industry by way of a bonus. There are those who urge that the assistance should be rendered in the form presented in the legislation. The problem is not an easy one to solve. This government is concerned with a solution of the problem, because it involves a solution of the method under which central Canada can be assured of being heated in the cold weather. The supply of anthracite from the south is liable to be cut off at any time. A threatened coal strike there might result in a situation that would bring the matter imminently before us and I am glad we shall have my hon. friend's support on the subject.

Sir HENRY DRAYTON: In regard to the experiment in connection with the movement of Alberta coal, an hon. gentleman asked the minister as to the position taken by Sir Henry Thornton, referring to the fact that Sir Henry Thornton was reported in the newspapers as having said that, as a result of governmental legislation, all these matters were before the board and he could not bring the rates in or words to that effect. I can hardly think Sir Henry Thornton is correctly reported. Those matters are no more before the board now that they were previously. They have always been before the board. As

regards the question of a coal rate, there is no further consideration of the question now than there was at any other time. There is absolutely no reason why the company could not go on with what it said it would do and the experiment certainly ought to be made. The Minister of Railways and Canals ought to assure us that the experiment will be made.

Mr. ROSS (Kingston): Will the minister give us the statement as to what, if anything, he has done since that report was made in the press?

Mr. STEWART (Argenteuil): The arrangement was made strictly between the Alberta government and the railway. I was asked for assistance and I gladly agreed
12 m. to give it, with the consent of the government, of course, to the extent of a dollar a ton. The first proposal was for a 100,000 ton movement. I would have welcomed very much more, but on that movement I proposed at the time to give them fifty cents a ton. For some reason they cut the quantity down from 100,000 to 25,000 tons. On the 25,000 ton movement we had a definite arrangement made for that movement on the basis which I have outlined. Personally, I will do anything in my power to get the movement under way, because if coal can be moved in large train load lots, that can be done only in the slack season on the railways, and that is in May and June or June and July before the wheat movement starts, so as to get plenty of time to move the cars back for the heavy wheat movement which would occur later. That was all that was asked and that is the very slack season in our mines. Last year I went and discussed the matter with representatives of the mine owners in Drumheller, and I said to them: If we put up a substantial amount to guarantee this movement and to keep a check upon it, you ought to undertake to cut your production costs very materially. They agreed to do so if this was done at this particular time of the year which was a slack period. I have made this somewhat extended explanation, because I want the committee, and particularly our western people who are anxious about this matter, to know that so far as we are concerned, we are ready to do anything we can to forward this movement.

Mr. SHAW: The ex-Minister of Finance (Sir Henry Drayton) has suggested that the Minister of Railways and Canals (Mr. Graham), perhaps, could give some assurance in connection with this matter. If there is any failure of the plan, it is apparently on the part of the Canadian National Railways. It is very important that the experiment should be undertaken now. We would be delighted to have from the Minister of Railways his assurance that he is prepared to do what he can to see that the experiment is carried out pursuant to the arrangement made.

Mr. GRAHAM: The Canadian National Railways are working under a statute passed by parliament, and the Minister of Railways has no authority except his good influence in the matter of advice.

Mr. SHAW: That is what we want.

Mr. GRAHAM: I discussed this just the other day. I do not know anything about the details of the arrangement. I believe it is an arrangement made between Mr. Greenfield and the Canadian National Railways. I understand Mr. Greenfield is in Montreal now.

Mr. SHAW: Would the minister use his good offices with Sir Henry Thornton to see that this experiment is carried out?

Mr. GRAHAM: I would very much like to see it carried out, and I have told the railway company I would like to see them give rates whereby this experiment could be carried out. I cannot go any further than that.

Mr. COOTE: As regards the movement of steam coal from Alberta to Winnipeg, the freight rate, I think, is $5.15 per ton.

The CHAIRMAN: The hon. gentleman is speaking outside of this item. This is Ontario. That is not in this vote.

Mr. COOTE: It is the same at the other end. The coal is from Alberta. I will take only a minute if you will allow me. The question was brought up here in regard to coking Canadian coal. There is a good market in Winnipeg for coke made from Canadian coal if the railways could be induced to lower the freight rate by seventy-five cents a ton. The present rate is pretty high, and all I am asking is that the Minister of Mines and the Minister of Railways, who are both here, might take that into consideration and take it up with the railways. They might be induced to grant a cheaper rate to Winnipeg for the summer months.

Item agreed to.

To cover unprovided items 1923-24, as per Auditor General's report, part a, page 3, 1923-24, $130,442.08.

Mr. ROBB: It is to cover the usual statutory items.

Sir HENRY DRAYTON: Those are really the auditor's adjustment items.

Item agreed to.

Mr. ROBB: I wish to make a correction. Last night I explained to the committee that the increase in the Auditor General's department was something like $40,430. Things were going so well that I did not get to the decreases made in the department. These bring the actual net increase to a little over $3,000.

Superannuation—to provide for retiring allowances to former employees of the Department of Printing and Stationery $34,000.

Mr. WOODSWORTH: I understand that some years ago a certain group of men were retired from the Printing Bureau just before regular provision was made for pensions. These men, I believe, have been drawing pensions up to the present time, but these now lapse. Is any provision being made to cover their cases?

Mr. MURDOCK: No. Those employees were retired in 1919 and 1920 under certain orders in council just prior to the Calder Act coming into effect. They were retired on a certain uniform basis having regard to their respective ages and length of service, the retiring allowances running from one year and one month to five years and one month. For the last two or three years I have had the matter before me, but no action has been taken to continue the allowances. Some of these employees are more than sixty-five years of age, and others have twenty-eight to thirty-one years of service to their credit.

Mr. WOODSWORTH: Their claims would be as good as those of the individuals who would be provided for by the item under discussion?

Mr. MURDOCK: They have so argued, and that might be favourably considered. Under all the circumstances, in view of the general cry for economy and retrenchment, this government did not feel that it should revive superannuation allowances which had elapsed.

Item agreed to.

Customs and Excise—

Amount required to create positions and make appointments of officers for the prevention of smuggling and to investigate reported frauds against the revenue, notwithstanding anything contained in the Civil Service Act and the said positions and staff so appointed to be wholly excluded from said act; also to provide for expenses of such officers and for the purchase or charter of vessels and for the purchase or hire of automobiles to be used in the prevention of smuggling or other offences against the revenue laws..	$350,000 00
Salaries and contingent expenses of the several ports in the Dominion, including pay for overtime of officers notwithstanding anything in the Civil Service Act—and temporary buildings and rentals..	70,057 39
Miscellaneous—printing and stationery, subscriptions to commercial papers, flags, dating stamps, locks, instruments, etc., for various ports of entry, express charges on samples, stationery and legal forms, legal expenses, premiums on guarantee bonds, and uniforms for customs officers.. ..	5,502 28
	$425,559 67

Sir HENRY DRAYTON: Mr. Chairman, I notice that the government is making another of its characteristic inroads on the Civil Service Act.

An hon. MEMBER: Hear, hear.

Sir HENRY DRAYTON: I do not know which hon. minister said that, but I should like to be able to distinguish him as being really honest about this and unwilling to continue the farce of pretending that the government is still in favour of non-patronage.

Mr. MURDOCK: It was not a minister that said "hear, hear."

Sir HENRY DRAYTON: I am sorry—the sham is to continue for the entire outfit. But the fact is the government is pyramiding the number of offices that it takes out of the control of the Civil Service Commission. Mr. Chairman, I protest against this policy.

Some hon. MEMBERS: Oh, oh.

Mr. POWER: We think he doth protest too much.

Sir HENRY DRAYTON: My hon. friends laugh—the Minister of Labour (Mr. Murdock) and the hon. member for Quebec South (Mr. Power). They both see the joke of this thing. The hon. member for Quebec South is at least sincere; he believes in wiping out the Civil Service Commission altogether.

An hon. MEMBER: Hear, hear.

Sir HENRY DRAYTON: That is another; we have two sincere gentlemen on that side. I wonder if we could get a third.

An hon. MEMBER: Hear, hear.

Sir HENRY DRAYTON: There are three; can we not have a fourth?

Mr. CANNON: There are only three commissioners.

Sir HENRY DRAYTON: That is the idea of the Liberal party. Well, we are always learning something.

Mr. ROBB: If my hon. friend were occupying the position he formerly held in the government of which he was a distinguished member he would support this vote. Smuggling has been increasing enormously in recent years. High powered automobiles have been used in this traffic, and the fact that the United States was dry and that there was a temptation to smuggle liquor one way and bring back cigarettes, tobacco and silks has been a contributing factor. In fact, the whole service appeared to be demoralized, and the Acting Minister of Customs and Excise has had to let out some officers who had been trusted but who had been tempted by this traffic. A committee representing importers urged us to apply more strictly the customs laws and prevent smuggling, and it was decided that the minister should be enabled to put on men, known perhaps only to himself and his deputy, not only to watch the smugglers but to see that the officers within the department did their duty.

Sir HENRY DRAYTON: I am not objecting at all to the taking of steps to prevent smuggling. I know there is a great deal of smuggling of whiskey into American territory—

Mr. ROBB: And into Canada—both ways.

Sir HENRY DRAYTON: Well, I do not know to what extent my hon. friends have allowed this matter to drift or how alarming the situation is. I am not objecting to anything being done to put down these offences, but I did rise to object to the appointment of officials other than in the legal manner. Of course, if, as the minister says, these officers are to be temporarily employed in protective service; if they are not to go on the pay list in the ordinary way, it is a different matter.

Mr. ROBB: That is the idea.

Sir HENRY DRAYTON: But that is not the way it is worded. This looks as if we are making a lot of new permanent positions and removing them from the operation of the Civil Service Act. If that is so, I have no hesitation in saying it is wrong.

Mr. ROBB: That is not the intention at all.

Mr. CARDIN: All these positions will be temporary.

Sir HENRY DRAYTON: How temporary?

Mr. CARDIN: As long as we are satisfied with their services.

Sir HENRY DRAYTON: That will mean a life job in some cases at least.

[Sir Henry Drayton.]

Mr. LAPOINTE: That is an admission on my hon. friend's part.

Sir HENRY DRAYTON: I admit it will be a short period, because when we get back into power we will see that this thing is done legally and not in the manner my hon. friend suggests. But when my hon. friend says that, he means they will be permanent so far as he can effect it.

Mr. CARDIN: Those who have been asking for these appointments have asked that they be made by the minister and not subject to the Civil Service Commission.

Mr. MEIGHEN: I do not doubt it—chiefly, I suppose, the ones who want the appointments.

Mr. CARDIN: No, resolutions of boards of trade.

Mr. STEWART (Argenteuil): If we are to have a detective service of any value to be used against smugglers, its personnel must be changed frequently.

Mr. WOODSWORTH: I should like to protest against this further extension of the practice of appointing men altogether outside the Civil Service Act. Something like thirty-three per cent of the total personnel in the public service is to-day more or less subject to patronage, notwithstanding the fact that a few years ago we thought we had gotten rid of patronage in this country. In connection with the Department of Soldiers' Civil Re-establishment there are some 3,094; in the Soldier Settlement Board, 618; in the Income Tax department, 1,211; and then under order in council P.C. 1053 we had 12,804 brought in, a total of 17,727, and under the votes that have been put through a very considerable number of employees are exempt from the Civil Service Act. It seems to me this is a tendency which ought to be checked. With regard to these proposed appointments I should like to quote a paragraph from an editorial which appeared in the Ottawa Citizen of March 10 last:

> The United States presents an experience parallel to that now being put through in the House of Commons. Appointments to the Prohibition Enforcement Bureau in that country were exempted by the terms of the Volstead Act from the provisions of the civil service law. In "Good Government," the organ of the National Civil Service Reform League, the president of the league is reported as follows in regard to the nature of the appointments made by the politicians for prohibition enforcement:
>
> "Everyone knows that a large proportion of that force is composed of grafters, thugs and miscreants, who not only take bribes, but are guilty of unlawful acts of violence. Whether the Volstead Act can ever be fully enforced or not, it certainly cannot be so enforced so long as a substantial part, if not the majority, of

its enforcement officials make enormous sums of money by conniving at its violations. In the beginning the league pointed out the probability of this result if the positions were exempted from the provisions of the civil service law, and has endeavored constantly to procure an amendment of the law which would classify the entire prohibition force without covering in the present members. . . . Certainly a force appointed after competitive civil service examination, and investigation of the character of the applicants by an independent body such as the Civil Service Commission, would eliminate a large proportion of such scalawags as are now appointed on political recommendations, and would vastly improve the character of the service."

It would seem as if we might very well profit by the lesson which the United States has to offer us in this regard. They have made an attempt to do this work by the method we now propose, and to a very considerable extent they have failed. Why should we not use the Civil Service Commission in making these appointments? Is there anything peculiar about the character of the work which these men are to be asked to do?

Mr. POWER: Outside of fiction, has the hon. member ever heard of men whom we commonly call "spotters" being men of very high character?

Mr. WOODSWORTH: I do not know that we have, and that may be the cause of their failure. But it is all the more reason why these men should be appointed—

Mr. POWER: Informers.

Mr. WOODSWORTH: Informers—very well.

Mr. GRAHAM: Advertise them.

An hon. MEMBER: Put them in uniform.

Mr. WOODSWORTH: It is not necessary to put them in uniform. If, as is suggested, we propose to secure for this work men who are not of very high character, we are not going to get effective service. We will have a condition of affairs such as has been referred to by the article which I have just read.

Mr. CANNON: Would you have a B. A. sweep the streets if he could do anything else?

Mr. WOODSWORTH: I suppose a B. A. may sweep the streets, and I hope as well as some others.

Mr. CANNON: He will do something better if he can.

Mr. WOODSWORTH: There is no particular reason why a body such as the Civil Service Commission might not be entrusted with the task of selecting these men. I think they are quite as capable of selecting them as anyone else. The examination in this case might be of a different character from that which is conducted for other classes of civil servants, but it is absolutely ridiculous to expect to secure results if we pick up men here, there and yonder whose qualification is that they lack anything like character, and who are appointed simply as a reward for political services past or for political services they may be expected to render in the days to come.

Item agreed to.

River St. Lawrence—amount required for repairs to dredging fleet and to expedite dredging operation—revote of unexpended balance appropriated under vote No. 459 in supplementary estimates, 1924-1925, $51,750.

Mr. MEIGHEN: How does this come in the supplementaries?

Mr. CARDIN: It is a revote of money not expended last year.

Mr. MEIGHEN: That is all the more reason why it should be in the main estimates.

Mr. CARDIN: We did not know the exact figure in time.

Mr. GRAHAM: The main estimates were made up in January.

Mr. MEIGHEN: But the revotes run all through the main estimates.

Mr. GRAHAM: They did not get it expended by the end of the year.

Item agreed to.

To provide for compassionate allowance to Chas. H. Lake, father of John Lake, former employee of the Radio branch of the Department of Marine, $1,500.

Mr. MEIGHEN: What is this for?

Mr. CARDIN: This is a compassionate allowance for the father of a boy in the Radio branch who was killed.

Mr. MEIGHEN: Was the father dependent on him?

Mr. CARDIN: Yes.

Item agreed to.

To provide for compassionate allowance to Elzear Martineau, former boilermaker's helper at the Quebec agency of the Department of Marine, $1,018.33.

Mr. MEIGHEN: Why is the minister's compassion not as great for this man as for the other fellow?

Mr. CARDIN: This man had applied for superannuation, but his papers had been lost in the department, and we found them too late. The time within which he could be superannuated had expired.

Mr. MEIGHEN: The act has been extended for a year.

Mr. CARDIN: He was going to be superannuated under the Calder Act.

Mr. MEIGHEN: Why is he not superannuated still? The time under the Calder Act has expired?

Mr. CARDIN: Yes.

Mr. MEIGHEN: This really is his retiring allowance under the Calder Act?

Mr. CARDIN: Yes.

Item agreed to.

To provide for compassionate allowance to Mrs. Margaret R. Cullum, widow of the late William Cullum, former steamship inspector, Department of Marine, $3,240.

Mr. MEIGHEN: What happened here?

Mr. CARDIN: This man died when he was preparing his papers.

Mr. MEIGHEN: How is it she gets so much more than the other?

Mr. CARDIN: It depends on the salary he was receiving.

Item agreed to.

For assistance to cold storage warehouses and pre-cooling plants, further amount required, $40,000.

Mr. MEIGHEN: When did the minister decide he wanted this money?

Mr. MOTHERWELL: It is the same amount we had in last year for pre-cooling plants, principally in British Columbia. One was established at Kelowna, another at Salmon Arm, and another in Chilliwack.

Mr. MEIGHEN: This is for cooling previous to shipment?

Mr. MOTHERWELL: Yes. These packing plants are already established, and this is for installing pre-cooling rooms in the packing plants.

Mr. MEIGHEN: Why was not this in the main estimates?

Mr. MOTHERWELL: We did not have it in the main estimates last year, and we were discussing this matter with the Fruit Growers' Association to see whether they would require anything further than was done last year, and we found that they did.

Item agreed to.

[Mr. Cardin.]

Agriculture—salaries, $711,855; contingencies, $135,000.

Mr. MEIGHEN: The minister is going about his estimates back foremost. Has he any object in that?

Mr. MOTHERWELL: No. There is a decrease of nine, but the personnel is practically the same.

Mr. MEIGHEN: But the minister's work has decreased in greater proportion than that, because the general vote is away down. The work of the department has contracted a great deal more than the personnel.

Mr. MOTHERWELL: I do not think the work has contracted. In certain particulars it has expanded, particularly in the Health of Animals branch in connection with the export of cattle.

Mr. MEIGHEN: What about agricultural education?

Mr. MOTHERWELL: Yes, but that did not take very many men. That was a straight grant to the provinces, and they administered it.

Item agreed to.

Justice—salaries, $226,355; contingencies, including $2,000 for the Solicitor General's office, $32,500.

Mr. MEIGHEN: Has Mr. Edwards been made deputy minister?

Mr. LAPOINTE: Yes.

Mr. MEIGHEN: With the full approval of the Minister of Trade and Commerce?

Mr. LAPOINTE: I have not consulted my colleague as to that.

Mr. MEIGHEN: I think the minister was well advised not to ask him. Does he draw the same salary as Mr. Newcombe?

Mr. LAPOINTE: Yes, $10,000.

Mr. MEIGHEN: Who are the two Assistant Deputy Ministers of Justice?

Mr. LAPOINTE: Mr. Chisholm and Mr. Renaud. They were promoted.

Mr. MEIGHEN: Who are the senior officers now?

Mr. LAPOINTE: There are Mr. Plaxton, Mr. Bill, Mr. Miall, and Mr. Varcoe.

Item agreed to.

Expenses of litigated matters—Department of Justice, $38,000.

Mr. MEIGHEN: Does this include fees paid to outside lawyers?

Mr. LAPOINTE: Yes, when they are not paid by the departments requiring their services.

Item agreed to.

To provide for the revision of the Dominion statutes. Payments may be made notwithstanding anything in the Civil Service Act or regulations thereunder, $35,000.

Mr. MEIGHEN: Is this a continuous job?

Mr. LAPOINTE: No; we expect that the revision will be completed in 1926.

Mr. MEIGHEN: How much has been spent since 1921?

Mr. LAPOINTE: The work started only last year.

Mr. MEIGHEN: Oh, no.

Mr. LAPOINTE: Yes.

Mr. MEIGHEN: It was started before the government came in. We had Mr. O'Connor at work and he did an enormous amount of work under Mr. Doherty and Mr. Bennett. The minister cannot smile at Mr. O'Connor's work on statutes. I do not care who has been advising him; I know something about it myself. I do not know any man who is more thorough in that kind of work. The minister knows perhaps that he is the author of a very valuable treatise indeed; and as a framer of statutes, if the minister had had some experience with him I do not think he would have introduced a great many measures in the way he has done. There have been some awful draftings submitted to the House that he would not be guilty of. I know who has advised the minister, and while I have the greatest respect for the man who has done so, at the same time he is wrong. He is very prejudiced in the matter.

Mr. LAPOINTE: Who is he?

Mr. MEIGHEN: I refer to Mr. Newcombe. Mr. O'Connor's work in this matter has been very valuable and it has been discarded.

Mr. LAPOINTE: Has my right hon. friend seen his work?

Mr. MEIGHEN: I have not dug into it and reviewed it but I know something of its character. Right after the government came into power they appointed a string of men on this work. It must have been about 1922.

Mr. LAPOINTE: No.

Mr. MEIGHEN: When was the board appointed?

Mr. LAPOINTE: The board was appointed at the last meeting of council attended by my predecessor in the department.

Mr. MEIGHEN: There was a reconstituted board appointed.

Mr. LAPOINTE: No; the full board was appointed at the last meeting attended by Sir Lomer Gouin who retired in 1923. I took charge of the department in January 1924 and the secretary and translators have been appointed by myself since then. So that the board has worked only since January 1924, about a year and a half.

Mr. MEIGHEN: How many are on it?

Mr. LAPOINTE: Five.

Mr. MEIGHEN: Who are they?

Mr. LAPOINTE: Sir Charles Fitzpatrick, Mr. MacGregor, of Toronto, who took the place of the late Mr. Hartley Dewart, Mr. E. J. Daly, of Ottawa, Mr. F. R. Russell, K.C., and Mr. L. A. Rivet, of Montreal.

Mr. MEIGHEN: I do not know the last named gentleman but I know the political stature of the others. I do not know their legal stature but I suppose that does not matter.

Mr. LAPOINTE: I have no doubt they have sound ideas on politics.

Mr. MEIGHEN: I think there is only one man on it, Sir Charles Fitzpatrick. If he is doing the work the work will be done properly. Is he doing it?

Mr. LAPOINTE: Yes.

Mr. MEIGHEN: What will the others get?

Mr. LAPOINTE: The president is paid at the rate of $4,000 per annum. Mr. Newcombe was vice president, and when he was appointed to the Supreme court, he was replaced by Mr. Cameron. Each of the other commissioners get $2,500.

Mr. MEIGHEN: I do not think this idea of having a sort of corporation to revise the statutes is a proper one. That is the work of a man with an assistant.

Mr. CANNON: It is always done in this way. It is the only way to do it.

Mr. LAPOINTE: It has always been done in this way. The revision of the statutes of Ontario, under a government friendly to my right hon. friend, was done in a similar way.

Mr. MEIGHEN: When?

Mr. LAPOINTE: Two years ago. This work is costing a good deal less.

Mr. ROSS (Kingston): I think there has not been a revision in Ontario for many years.

Mr. LAPOINTE: Same way here.

Item agreed to.

To increase the salary of J. E. Tremblay, secretary-clerk to $3,960, $600.

Mr. MEIGHEN: This is some more invasion of the Civil Service Act?

Mr. LAPOINTE: In the Justice department, in order to get a promotion, a man has to be a lawyer. This is a special case of a very old employee who has given his services for a very long time, and I feel it my duty to propose this.

Mr. MEIGHEN: I certainly have nothing to say against Mr. Tremblay. He is an efficient man, but I do not know why he cannot abide by the Civil Service Act the same as anybody else.

Mr. LAPOINTE: He could not.

Mr. MEIGHEN: I suppose he could not get any more money.

Mr. LAPOINTE: He could not get a promotion as law adviser or chief adviser in the Justice department as he would have been able to do in some other department. He is not a lawyer and he is precluded from promotion. He is a valuable man as any one who has had anything to do with the Justice department knows, and I think it is only fair to grant this increase.

Mr. MEIGHEN: A valuable man.

Item agreed to.

Penitentiaries—	
Kingston	$419,000
St. Vincent de Paul	385,500
Dorchester	241,500
Manitoba	203,600
British Columbia	151,000
Alberta	3,000
Saskatchewan	245,000
General	1,400
	$1,650,000

Mr. ROSS (Kingston): I would like to bring to the minister's attention in connection with this item a matter we have already discussed once or twice; that is the question of a few employees who have served a great many years in the penitentiary and who, if they elected to come in under the Superannuation Act, would have to put up more than they can possibly spare. For example, some of them would have to put up $1,400 or $1,500 in a bulk sum in order to qualify under the Superannuation Act; or to qualify by payments from year to year, say ten, twelve or fifteen years; they would have to put up $300 or $400 a year. That is a hardship for men who have served 20 or 25 years. The situation with regard to these men is peculiar, in that while they have not been under the Superannuation Act, they have been in a position where they would get a gratuity; but that gratuity is also in a peculiar position in this way; that they might put in 25 or 26 years good, faithful service, and by some little slip would lose the whole gratuity which they believed had been accumulating for themselves or for their widows or children. I think there are two or three similar cases. For instance, there is now under item 398 an allowance for the widow of the late John L. Berrigan. He had served in the penitentiary for a very long time. He was taken ill, and died suddenly. His widow is now being given a compassionate allowance of about $900, whereas had Mr. Berrigan lived he would have been entitled to $1,800. There is also the case of another man who served a great many years; he would have been entitled to $1,800 but while his papers were going through he died. I draw the minister's attention to the fact that to-night there was a small vote put through, item 489, in a similar case. If this can be done in one department, I think it should be done in another. In this case the widow gets $3,240 gratuity as a matter of compassion, because her husband died while the papers for his superannuation were going through. I would like the minister to take into consideration these few old employees who must now lose superannuation or else be able to put up a bulk sum of $1,400 or $1,500. Could the minister not suggest to the commission that, as there is a gratuity now which would amount to about $2,000 for these employees, about $1,500 of that should be laid aside, to be contributed to the superannuation fund as their share, and permit them to share in the benefits of the fund?

Mr. LAPOINTE: As to the employees referred to, my hon. friend spoke to me about them, but I am afraid that under the law as it stands we cannot come to their assistance. They have everything they are entitled to. We are giving the children half of what the father would have been entitled to if he had resigned under the law. This is according to precedent, what had been paid by my predecessor in the department under similar circumstances. I think Mr. Doherty recommended this practice when he was in charge of the department.

Mr. ROSS (Kingston): Then service seems to count for little. The man who enters the service can get the benefit of the Superannuation Act, while those who have given twenty or twenty-five years of good, faithful service cannot.

Mr. LAPOINTE: My hon. friend knows they are in exactly the same position as other members of the service. They have to pay certain amounts if they want to come under the act. The other employees are doing that, and I do not see how we can dispense with it in their case.

Mr. ROSS (Kingston): I know they do, but it strikes severely upon those who have now just four or five years to complete their service before they could retire with a gratuity.

Mr. LAPOINTE: I agree with that.

Mr. ROSS (Kingston): I think they are so few the government could consider some change in the act or some favourable agreement with them. Otherwise, one or two will share the fate of Mr. Berrigan who had earned $1,800. If he had been informed that his illness was serious, he could have retired and secured the $1,800 which he had faithfully earned. It was his, but just by a little mishap his widow will lose $1,800.

1 p.m.

The other case I want to refer to is that of a man who had served his whole time, Mr. Young, and who, when his papers were going through for his resignation, died and nothing was done. This is a very similar case.

Mr. LAPOINTE: How long ago is that?

Mr. ROSS (Kingston)): Some years ago.

Mr. LAPOINTE: About fifteen years ago, I understand. My hon. friend may be assured that I will take every word he has said into consideration and discuss with the Acting Minister of Finance (Mr. Robb) the possibility of an amendment to the act.

Mr. MEIGHEN: I notice all excepting one of the penitentiaries are increasing their working expenses. What is the reason?

Mr. LAPOINTE: It is for remodelling of the buildings. During the war this had been neglected.

Mr. MEIGHEN: How is the penitentiary population compared with that of previous years?

[Mr Lapointe.]

Mr. LAPOINTE: There are 2,345 inmates in the penitentiaries at this time. At the end of the fiscal year, 1924, there were 2,373. There is a decrease of 28.

Item agreed to.

To pay a compassionate allowance to the children of the late John L. Berrigan, guard, Kingston penitentiary, $905.

To increase the pension of William Patton, ex-guard, Kingston penitentiary, to $47 per month, $312.

Mr. ROSS (Kingston): I appeal again to the minister. This man Berrigan should get a little better treatment than that. He should have known that he could not recover and he should have been permitted to resign. In that case he would have had $1,800.

Mr. LAPOINTE: Berrigan died suddenly on May 24. He had not resigned his position at the time. Really, what we are giving is by way of a compassionate allowance. Under the law we would not be bound to give anything. His children are grown up. I think my hon. friend will agree with me as to that. I understand the youngest is nineteen years old.

Mr. ROSS (Kingston): I quite agree with that, but Berrigan did not die suddenly. He was sick long enough to know he could not recover. Charity applies in this case. Berrigan had earned his $1,800 and he had also been injured.

Mr. LAPOINTE: We are doing pretty well by giving this compassionate allowance. There was no obligation to ask him to resign.

Mr. ROSS (Kingston): What was the cause of his death?

Mr. LAPOINTE: Pneumonia, I understand. He got three months' salary apart from this allowance.

Item agreed to.

Royal Canadian Mounted Police—salaries and contingencies, $46,980.

Mr. MEIGHEN: How many provinces are the police used in now?

Mr. LAPOINTE: In all the provinces.

Mr. MEIGHEN: The government has seen a new light on that subject.

Mr. LAPOINTE: I do not know whether I should say it, but I am free to admit I have come to learn that they are doing a splendid work.

Mr. WOODSWORTH: Have the officers of the police military rank at the present time?

Mr. LAPOINTE: They have honorary rank.

Mr. WOODSWORTH: May I ask the Minister of Justice why it is that we need to have men, who were organized first of all for work on the frontiers, doing duty here around the capital of an altogether different character, duty which originally, I understand, was performed by the Dominion police force? It seems very strange that stationed around the doors of government buildings and in the art galleries and other public places we have members of the mounted police. In the art galleries I have visited in Europe I usually found some old pensioners on guard or perhaps pointing out to tourists the paintings and other interesting objects, and doing subordinate work of this character very well indeed. Here we have the "riders of the plains" performing these duties. Why is it necessary?

Mr. LAPOINTE: The conditions my hon. friend describes have arisen since the union of the mounted police and the Dominion police in 1920. If he thinks the statute should be changed he will have to move accordingly by way of act of parliament. I think the present system is preferable to that which obtained prior to 1920.

Mr. WOODSWORTH: I should like to inquire further with regard to the activities of the mounted police in industrial areas. I have very good reason to believe that there in more or less a steady surveillance maintained over labour organizations—that mounted policemen, either in uniform or in plain clothes, make it a point of being present at labour meetings. It seems to me to be quite unnecessary, at least in times of industrial peace, that one particular group of the community should be subject to an indignity of this character.

Mr. LAPOINTE: My hon. friend is wrong. The instructions issued to the mounted police are not to interfere with any legitimate labour activities. Labour is on exactly the same basis, so far as the mounted police are concerned, as any other class of the community. Of course, it is part of their duty to see that the federal statutes are enforced and that order prevails. I think there have been industrial conflicts of late of a very difficult nature, but I have not heard a word of complaint about any interference by the mounted police. If there had been, I know my hon. friend would have taken good care to warn us.

[Mr. Woodsworth.]

Mr. WOODSWORTH: I do know, however, that Royal Canadian Mounted Policemen are present at labour meetings.

Mr. LAPOINTE: They are present probably at labour and other meetings. The mere fact that they are men of the mounted police does not preclude them from going where other citizens have a right to go.

Mr. WOODSWORTH: No, but they go to these meetings and afterwards present their reports to their superior officers, and so, as I say, maintain a certain surveillance over labour organizations, which fact is resented by the labour people.

Mr. MURDOCK: As a member of a labour organization for more than thirty years, I can assure my hon friend that I have kept closely in touch with the point he raises, and I may state that during the past three or four years no espionage has been maintained over reputable and responsible labour organizations. I realize that my hon. friend may regard as labour meetings gatherings of men who are first, last and all the time advocating the overthrow of constitutional government If he argues that espionage is maintained in such cases, he is right, and I say that it is proper that it should be maintained, because I do not believe we want such men, under the guise of labour, gathered together for the purpose of plotting the overthrow of constitutional government and doing away with certain conditions that Canadians love and respect and are ready to fight for. There has been no action taken by the police in any of these cases that I am not heartily in accord with, and I am ready to go into any body of organized labour, properly constituted, and defend the action thus taken. I could give my hon. friend some very interesting information about the attitude and actions of some gentlemen who pretend they are representing labour. They are doing no such thing when they are undertaking to undermine the constitution and thwart the laws of the country.

Mr. WOODSWORTH: The Minister of Labour says he wants to be protected against the actions of certain classes of gentlemen, unnamed. I have had the experience myself of having mounted police present at meetings which I have been addressing, publicly called meetings, at which I have been trying to say some of the things that I have been saying on the floor of this House, and I have had an officer of the mounted police attempt to trap me into saying something that he thought might possibly lead to trouble. Now, Mr.

Chairman, I object to that kind of thing. I have a right, as a member of this House duly elected, to address any public meeting without having an officer of the mounted police present to note what I have to say; much more have I a right to speak without an attempt being made to trap me into saying something that might be construed to be out of harmony with what he would consider to be the right policy to be presented in this country. It is that kind of thing to which I object and to which a large number of labour men object, and I should like here to voice their objection.

Mr. LAPOINTE: I must say to my hon. friend that as Minister of Justice I never received any such report against him. I am sure if any officers of the police attended meetings addressed by him they were edified by what he said, and far from being scandalized.

Mr. WOODSWORTH: I hope they were. I have always been very glad personally to see them present, and to welcome them to my meetings. I hope to make them into thoroughly good labour supporters in the future. But that does not touch the point. It is not fair to a section of this community that is just as earnest and is doing just as good service to Canada as any other section, that they should be constantly under suspicion of being disloyal and they should be under certain serveillance by the police. I do not want to go into past history, but my statements are absolutely corroborated by the revelations of the trials which took place a few years ago in Winnipeg. We have that evidence as given before the courts, and the minister will not deny, if he looks into the matter, that very full reports concerning myself are in the Department of the Royal Canadian Mounted Police.

Mr. MURDOCK: My hon. friend will admit that there were certain gentlemen in Winnipeg in 1919 who were worth watching and who were advocating principles entirely contrary to the laws of this country and not in the best interests of the citizenship of this country.

Mr. WOODSWORTH: And I was supposed to be one of them, a matter of which I am very proud.

Item agreed to.

Miscellaneous—expenses under the Canada Temperance Act, $5,000.

Mr. ROSS (Kingston): I have communications from some ex-service men in which they refer to the question whether a royal proclamation has ever been issued in regard to pre-war defaulters who gave service overseas, which would restore them to their full citizenship, and, among other things, permit their names to be enrolled in the list of those who will be placed on the roll about to be placed in the tower of this House of Commons. I think it is a matter between the Justice Department and the Secretary of State.

Mr. LAPOINTE: I will submit the matter to the department concerned. It does not come under the Justice Department.

Mr. ROSS (Kingston): Has the matter been considered by this government, and has it been considered by other nations?

Mr. LAPOINTE: It may have been considered, but not by the Justice department. As to other countries, I could not say.

Mr. ROSS (Kingston): Will the minister consider it?

Mr. LAPOINTE: I will, certainly.

Item agreed to.

Public Archives, $85,000.

Sir HENRY DRAYTON: There is an increase of $9,500. What is the reason?

Mr. MACKENZIE KING: As my hon. friend knows, a new wing is being opened, and with the enlargement of the Archives building itself a good deal additional work is being undertaken. That is my understanding of it. A number of important original manuscripts have also been purchased both in London and in Paris.

Sir HENRY DRAYTON: How much of it is new work and how much for manuscripts?

Mr. COPP: It is for salaries, permanent and temporary, outside service; statutory increases, travelling expenses outside of Ottawa, purchase of manuscripts, books and pictures.

Sir HENRY DRAYTON: I suppose that is as definite information as we can hope to get.

Item agreed to.

To provide for Canada's contribution towards the maintenance of the Permanent Secretariat of the League of Nations, $163,656.38.

Sir HENRY DRAYTON: We had a good deal of discussion at one time in connection with this item. I remember the time when there was very fierce criticism from this side of the House as to the amount of the subscriptions that were paid by the different countries. My idea always was that we paid too much. My own view always was that in connection with the immediate resources of the country, its population and the like, we

were placed in an absurdly high position, and there I agree with my hon. friend. At one time we did think quite anxiously of reducing our percentage. I think at the time we had so much discussion about it—I speak subject to correction, because I have not the figures before me, and I have not looked them up—the vote was about $186,000. It is very little smaller now. There has been no radical change at all. I would like to find out on what basis we are now paying, and whether the original basis which we all thought was not fair at the time has been departed from.

Mr. HOEY: What was the basis?

Sir HENRY DRAYTON: Our contribution was based on the postal union arrangement, which had absolutely nothing to do with the possibilities of taxation and that sort of thing in Canada as compared with other countries.

Mr. MACKENZIE KING: There has been a considerable improvement along that line. The contribution for 1925 is $4,696 less than in 1924, and $32,000 less than in 1922.

Canada pays 35 units out of a total of 935; the larger contributors are as follows:

	Units
Great Britain	88
France	78
Italy	61
Japan	61
India	60
China	50
Spain	40
Canada	35
Argentina	35
Brazil	33
Czecho-Slovakia	33
Roumania	27
Australia	26
Jugo-Slavia	25
Poland	25
Netherlands	20

The present scale of contribution is a temporary compromise, based on revenue, population, and other factors; the question of agreeing upon a permanent scale is to be considered by the next assembly. The present scale, while not satisfactory to Canada, is much better than the original provisions, which applied the Universal Postal Union scale; in 1921 Canada had to pay 4.54 per cent of the total budget, in 1925 3.74 per cent.

Sir HENRY DRAYTON: Is this question to be taken up in the near future?

Mr. MACKENZIE KING: At the next assembly.

Sir HENRY DRAYTON: What is the basis which in the opinion of the government ought to be urged as a permanent basis for contribution?

[Sir Henry Drayton.]

Mr. MACKENZIE KING: I think the different factors that I have mentioned, revenue, population, and the like, would be considerations to be urged.

Sir HENRY DRAYTON: My hon. friend will see that that does not quite synchronize with his previous remarks. He has pointed out the adjustments that he considered had been given effect to, but he was not satisfied with the result. My question was, what basis and what percentage is it the view of the government should be urged when these negotiations are taken up at the next meeting? What is the government's stand?

Mr. MACKENZIE KING: I understand that previously the area of a country was taken into consideration. We have already urged that area is not a proper basis, that population and revenue should rather be the determining factors. I think my hon. friend will agree that the place which Canada holds on the list I have given is relatively where she should be.

Sir HENRY DRAYTON: My hon. friend says now we are about where we should be.

Mr. MACKENZIE KING: I say relatively.

Sir HENRY DRAYTON: I do not want to quarrel with my hon. friend's terms. I will take it whatever way he puts it. Before he was not satisfied. Is he now satisfied?

Mr. MACKENZIE KING: I was pointing out that Canada is on the same basis as Argentina. I do not think that that is doing Canada an injustice. The next countries below are Brazil and Czecho-Slovakia. I hope we are about equal to either of those countries. There is a difference of only two units between Canada and those two countries. Roumania comes next. We are surely in a little better position than Roumania among the nations of the world. As to the other countries, the larger contributors, Great Britain, France and Italy might be paying a little more on the basis of their population and revenue than they are now, but that is a matter that will have to be taken into account in relation to the actual figures.

Mr. HOEY: Is the expense of maintaining this office increasing or diminishing?

Mr. MACKENZIE KING: The expenses of the office of the League of Nations were reduced last year by some two or three hundred thousand dollars.

Mr. SHAW: I think there is a matter which is far more important than the mere proportion of expenditure, and that is the question whether or not we are getting anything like

the value for the expenditure that we make. I feel there is a growing conviction—I will not say as to the futility altogether—but certainly that we are not getting the maximum usefulness from this particular organization known as the League of Nations. I am not going to argue the thing now. I think it is rather unfortunate that to the question of our external relations we pay but little attention. I remember reading a statement of Vincent Massey, of Toronto, in which he pointed out that of 534 days of discussion in the last five sessions preceding this parliament, we spent only some 13½ days altogether covering the whole field of trade treaties, external department estimates, and all other matters that had even the remotest relation to external affairs. I do not want to discuss that particular matter now, but I do want to challenge the attention of the Prime Minister, and I cannot do it better than by reading two or three extracts from the first volume of a book by Kellor, entitled "Security against War." Dealing with the career of the League of Nations he says:

> There have been recorded thirty-seven disputes which threatened a rupture or to disturb international peace and good understanding. Of these disputes all but four have been in some form before either the assembly or council, so a fair test of the practical value of the covenant has been afforded.
>
> Of these thirty-seven disputes, resort was had in fourteen instances to some form of aggression in which military force was used, either before, or without, resort to the conciliatory methods of the covenant. Among these are major disputes involving territory and reparations. In thirteen other disputes resort was had to political interevention. These, with the exception of Upper Silesia and Iraq, constitute minor disputes involving small territories and minorities.
>
> It will be observed from the table that in the fourteen instances where resort was had to force, the question has been definitely settled, in nine of which (namely, the Burgenland, Polish-Russian War, Vilna, Corfu, Memel, the Rhur, Fiume, Teschen and Eastern Galicia) the aggressor was either rewarded with a slice of territory or with reparations. In the other instances, Greece lost its conquest over Turkey and Albania, Russia did not seek territory in Persia, and was only pursuing General Deniken, Yugo-Slavia lost its conquest over Albania and Panama lost its territory to Costa Rica as awarded by the White decision. In one other instance, upon the threatened return of ex-King Charles to Hungary, the Little Entente threatened to use force.
>
> Of the fourteen instances in which resort was had to conciliation six (Upper Silesia, Hedjaz and Lebanon, Hungarian frontiers with Yugo-Slavia and Czechoslovakia, the Aaland islands and the return of ex-King Charles) have been definitely settled; four remain unsettled (Bolivia, the Bulgarian disputes and Hungarian optants), two have been withdrawn from the league and are in process of settlement (Iraq in the Lausanne treaty and Peru before the United States). and two have been the subject of conquest after or without political intervention (Armenia and Georgia). In four of these instances the people most vitally concerned either lost their independence or their territory (the Aaland islands, Armenia, Georgia, Hungary), and in another instance they were divided (Upper Silesia). And may I interject, one of the real danger points of the world.
>
> In one instance (Lebanon) the people received autonomy under a French protectorate, and in Iraq a similar provision is made under British protection.
>
> Of the nine questions referred to the Permanent Court, only six have any direct relation to the maintenance of peace; in four of these the court rendered an opinion and in one a judgment which constituted the basis for peace and security, namely, in the instances of the nationality decrees, Polish-Czechoslovakian frontier, the two questions concerning German settlers, and in the Kiel canal case. The Eastern Carelian dispute was outside its jurisdiction and remains unsettled.
>
> From the following table it appears that of the thirty-seven disputes, thirty-three were the subject of negative, neutral or affirmative action in either the assembly or the council. Of the thirty-three disputes, the council took decisive action which was accepted by the parties in four instances, the Aalands islands, Upper Silesia, Jaworzina and Memel, the initative in each instance being taken by an allied power or the conference of ambassadors. Of the remainder, eight questions have been referred to the court. In five of these an opinion has been rendered which has been accepted by the parties. In two opinions relating to minorities in Poland, that state has accepted the opinions in principle, but their application is encountering obstacles; while in one no relief was afforded.

That short statement is a challenge to the League of Nations to justify its existence.

Mr. WOODSWORTH: Even at this late or rather early hour of half past one in the morning, and with only about thirty members present, I feel we ought not to pass this item without some little discussion as to the league itself and the responsibilities which we have as a member of the league. The Prime Minister (Mr. Mackenzie King) told us early in the session that an opportunity would be given for a discussion of the protocol and the work of the league. So far that opportunity has not been given and we are now at the very last hours of parliament. Surely we ought to recognize the very decided obligations which may at any time arise because of our membership in this league. I know that at the present time a very considerable proportion of the people of Canada are not particularly interested. Some of them are inclined to ask, What have we to do with Europe? Yet we are to-day carrying a terrific load simply because we found a few years ago that we had to go to Europe under the circumstances and with the commitments that Great Britain then faced. I do not think we should simply pass these things by with indifference. I should like to take a few minutes to make a few observations with regard to this matter and I do so in the hope that another year, if any of us are here, opportunity may be given very early in the session for the discussion of such questions. As I suggested once before, the committee

which was set up last year on industrial and international relations might very well be given the opportunity of reviewing the policy of this Dominion with regard to foreign affairs. I would urge that as at present constituted the League of Nations can be given only a very qualified support; and without developing the argument, I should like to enumerate one or two of the points which seem to me to justify such a statement.

First of all, as at present constituted, the league affords no guarantee of peace. We are told by its advocates that we ought to support the league; but, I repeat, there is no guarantee that we shall have peace. In fact, the Minister of National Defence (Mr. Macdonald, Pictou) told us a day or so ago that his visit to Europe convinced him that we were in very imminent danger of a new war. Sir Arthur Salter, director of the economic and financial section of the League of Nations, in a lecture last summer at Williamson Institute of Politics said of the league:

> It is essentially an organized system of conferences designed to facilitate agreement.

That is all it is. In holding conferences the league undoubtedly is performing a very important function. But the fact that we have a mechanism for the holding of conferences with the existing state of affairs gives us no guarantee whatever that we may look forward to any lengthened period of peace. It would seem to me that the league, if it is to become at all effective, must be dissociated from the iniquitous treaty of Versailles. I do not propose to examine that treaty at any length, but I should like to quote one clause of it which in my opinion obligates us very definitely. In the covenant of the league in clause 10 we find:

> The members of the league undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all members of the league. In case of any such aggression or in case of any threat or danger of such aggression the council shall advise upon the means by which this obligation shall be fulfilled.

Anyone who has studied the map of Europe as it exists to-day must surely be convinced that the present situation cannot very long endure. I had hoped that the member for West Calgary (Mr. Shaw) might have carried out his purpose and exhibited that map to this House and shown something of the difficulties which face European statesmen at the present time. The point I want to emphasize to-night is that under clause 10 of the covenant of the league, we in Canada are intimately interested in this question. We cannot escape our responsibilities and we are obliged to maintain what can only be termed an absolutely impossible position. Further, I would urge that if it is to be effective, the league must be enlarged to take in all nations. I was very much interested the other day in noting that the so-called "Fidae", the Inter-Allied Veterans' Society, were urging that the veterans of Germany and Austria should be given the privileges of membership within a year. One of their planks, No. 5, was to re-order the League of Nations, eliminating America's objections to membership, so that the United States may become a member. In view of the very prominent position which the United States occupies to-day because of her financial and industrial importance in the world, it would seem as if no organization such as the league could ever carry out the work for which it was originally designed without the inclusion of the United States. The United States has certain definite objections and I do not think that this country is justified in contributing its support to the league without protesting steadily against the things that would in any way bar the entrance of other nations. From the information that we have been given it would appear that Germany is shortly to be admitted. I believe that, according to the newspapers, that is a part of the arrangement that is now being made. I submit that we should have some statement from the Prime Minister as to what attitude Canada is taking with regard to the proposed security pact It seems to me it is only right that the members of this House and the people of Canada should be informed as to the position of the government in regard to this situation. I would urge further that not only Germany be included in the league, but also Russia. It still seems to be almost a dangerous thing to mention Russia, and yet any student of world affairs must recognize that Russia occupies a strategic position at the present time. We go no further than to call the attention of the House to a treaty which has been made recently between Russia and Japan, which is of very far reaching consequence. Decidedly we cannot hope to re-establish peace conditions on a permanent basis in Europe unless the great country of Russia is included. Now may I quote two or three very brief statements in regard to the condition of that country given us recently in an official report of the British Trades Union delegation to Russia in November and December, 1924? I do so because in this country there has been so much adverse propaganda that the great majority of the people are still under the impression that conditions over in Russia

are very deplorable. I may say that the gentlemen who made this report were rather conservative in type, well-known trades unionists, and one may not be afraid of being accused of being very disloyal to the Empire when we remember that Ramsay MacDonald and the members of the British Labour party advocated closer relationship with Russia. In making this plea to-night I am but carrying out the avowed policy of the Labour party of Britain. The following is the considered conclusion of the delegates who spent some time in Russia:

> Finally the delegation is of opinion that the Soviet system of representation and its scheme of constitutional and civil rights, so far from being undemocratic in the widest sense of the word, given in many respects to the individual a more real and reasonable opportunity of participation in public affairs than does parliamentary and party government. . . .
>
> Under that constitution there are certainly as great—and possibly greater—possibilities than elsewhere in respect of popular government, political peace, and social progress.

And again with regard to the general social conditions that exist the delegates state:

> The conclusion reached by the delegation in the matter of law and order is that public order is now on a footing well above that in most continental countries; that justice is equitably enforced in the new courts, and under new codes that constitute a judicial system still in its youth, but adequate for its present purpose.

And then in conclusion, after presenting a vast amount of statistical data, very carefully prepared, these delegates sum up in a paragraph their general impression:

> Final Conclusion to General and Labour Reports
>
> In view of the information contained in the preceding chapters—all of which has been obtained by themselves from sources and through channels that convince them as to its general accuracy—the delegation has come to the following conclusions. That the U.S.S.R. is a strong and stable state; that its government is based firstly on a system of state socialism that has the active support of a large majority of the workers and the acceptance of an equally large majority of the peasants and, secondly, on a federal structure that gives very full cultural and very fair political liberties to racial and regional minorities, together with full religious toleration; that the machinery of government though fundamentally different from that of other states seems to work well, and that the government it gives is not only in every way better than anything that Russia has ever yet had, but that it has done and is doing work in which other older state systems have failed and are still failing; that these good results have reconciled all but a very small minority to renouncing rights of opposition that are essential to political liberty elsewhere; and that this causes no resistance partly because these rights have been replaced by others of greater value under the Soviet system, and partly because recent movements have been steadily towards their restoration; and finally that the whole constitutes a new departure of the greatest interest that is well worth foreign study and a new development that may be greatly benefited by foreign assistance.

[Mr. Woodsworth.]

This report is signed by the following well-known Labour men of Great Britain:

> Herbert Smith, Ben Tillett, John Turner, John Bromely, Alan Findlay, Albert Purcell (Chairman), Fred Bramley (Secretary), and Harold Grenfell, A. R. McDonell, George Young, Advisory Delegates.

Now without going further into the situation in Russia, I would urge that we should take our part together with other forward-looking nations, and together with the progressive sections of our own Empire in asking that the league should include in the near future, not merely the allied nations, but all the nations of the world, as was the original intention. It is only on that basis the league can be made effective. Again, I would urge that the league must be democratic in its organization. The assembly at the present time represents some fifty nations and the council represents four great powers and six other countries. This means that the council composed so largely of the great nations is able to impose its will on the assembly. I cannot think that is in accordance with the general principles of democracy, and undoubtedly it is this weakness that has led to the failures referred to in the article read by the hon. member for West Calgary. Why should we urge that disputes should be brought before the league and then refuse in many instances to refer disputes with which as an empire we are closely connected? I need not go further than to refer to the Egyptian situation, but there are many others. Why should we set up a league that is supposed to preserve peace, which we proclaim to the world ought to adjudicate in cases of dispute, and then reserve to ourselves the right to withdraw certain cases from the jurisdiction of the league?

One other point. There is a very great danger that the league should become little more than a tool of the great international financiers. In connection with the Dawes report, I am sure that many hon. members recall the words of Lloyd George who stated that the report was the work not of Mr. MacDonald, then Prime Minister of Great Britain, or of Monsieur Herriot, Premier of France, but that essentially that report was the work of the international financiers. Surely such a statement coming from such a source ought to give us all pause. Further than that we have been frequently told of the great benefit which has been conferred upon Austria and Hungary by the loans which have been made to those countries. I think perhaps the true situation might be very well indicated by the following paragraph from

a correspondent in Budapest, Mr. Fred Hankinson. In speaking of Hungary which he observed right on the spot, he says:

> The League of Nations commission has been here, and curiously enough prices rose all the time and the kronen depreciated. I feel with you that a foreign loan is only a palliative, and the country accepting such a loan becomes part of a financial gamble in Wall street and in London. If Hungary, like Austria, accepts the loan it may help for a time, but it only postpones the evil day and lays Hungary open to the craft of the international financiers and exploiters.

An editorial on this paragraph comments:

> Exactly! Why fool ourselves? Mr. Bertrand Russell, in a recent address, pointed out with admirable cogency, that it is not necessary any longer to conquer a country militarily, or to annex it politically. All advantages of conquest and dominion can now be obtained by making a loan, and establishing the required financial control to see that the loan is safeguarded and its obligations met. Austria and Hungary are to-day colonial dependencies of the Allies. They have disappeared as nations. And, what is worse, not even by this process has anything been done to bring permanent relief to Europe.

I would urge that we are now far enough away from the war to enable us to see the situation in something like its true perspective, and we ought to set ourselves very definitely to reorganizing the affairs of Europe and the world on an altogether different basis. Some of us may be ridiculed as visionaries and impossible idealists or dangerous radicals. We shall have to endure such terms, I suppose and the opprobrium which attaches to them. But the situation is to serious for us to remain silent. We believe it is possible to reorganize the affairs of the world in such a way that devastating wars will be abolished. I would urge that if this league, to which we are contributing and of which we form a part, is to accomplish its true purpose, it must devote itself to a reorganization somewhat along the lines which I have ventured to indicate.

May I ask again, in closing, that we might have from the Prime Minister, some statement, however brief, as to the attitude of the government with regard to the security pact? Personally, I am very thankful because of the attitude which the government took in regard to the protocol. I know that protocol was fostered and put before the world by the labour Prime Minister of Great Britain. None the less I feel that we in this country could not endorse it, and I am glad the government has not asked us to do so. I think, however that at this time we ought to know something at least as to the government's attitude towards present developments in Europe.

Mr. MACKENZIE KING: The security pact, as my hon. friend is aware, was a matter of negotiation primarily and essentially between the governments of Great Britain, France and Belgium and the German government. The Canadian government, with the government of the other self-governing dominions, have been kept informed

2 a.m. of these negotiations which have not developed beyond the discussion of a principle and an endeavour to find out how far these respective countries might be prepared to go with respect to certain matters which are confined entirely to Europe. At no stage of the negotiation has any intimation been made to the governments of the self-governing dominions by the countries that I have mentioned in the nature of asking us for an opinion or making any request. We have been kept informed, as I have said, but we have not thought, under the circumstances, we should either offer advice or take exception to anything that was being done, having no reason to take exception as we are not participating, but reserving always, in the light of the information that was given to us, a freedom of expression if we thought it was required on the part of the country. I gather from a statement which the Secretary of State for Foreign Affairs has issued in the British parliament that Great Britain will not be committed without the approval of her own parliament with respect to whatever the nature of the obligations may be that Great Britain is prepared to enter into. The same intimation has been made by the Secretary of State for Foreign Affairs with respect to the dominions, that no dominion government will be asked to do anything without the full sanction of its parliament. That is the attitude which we would expect the British government would take towards any action that might be either expected or anticipated with respect to Canada. Whether or not we shall be asked to become a party to an agreement that may ultimately be reached, I cannot say. It is quite conceivable that an agreement may be reached wholly independent of our parliament, but one thing I feel perfectly sure of is that no agreement will be reached which will commit in any way our country without the explicit condition that this parliament approves whatever action is taken. I think my hon. friends may rest assured that the government is not likely to sanction a course which it has not good reason to believe will be wholly in accord with the wish and the will of the people of Canada. I would point out to my hon. friend that the objection to discussion at any length of matters of this kind is that it is so largely a European affair that, for us to attempt a discussion while parties in Europe are negotiating, is only

possibly to throw into the arena of European discussion some element that might be capable of being misconstrued and do more harm, than good. I can, however, assure my hon. friend that the government is following the whole negotiations with great care that thus far it has reason to feel that what these European countries have been seeking to do is all to the good, and that, as regards our Dominion, no step is being taken which will in any way occasion concern to the people of Canada.

Mr. SHAW: Do I understand from the Prime Minister that no obligation will be assumed without the approval first being had and obtained of the Canadian parliament.

Mr. MACKENZIE KING: Yes. I have in my hand a despatch which was sent yesterday from London. I could not do better than read it because it sets out in an authentic way the position to date: It comes from the Secretary of State for the Colonies and it gives a summary of what took place in the British House of Commons on the 24th instant in regard to the security pact. After mentioning that a copy of this debate is being sent to the government in full, the despatch states:

In the course of his opening speech and reply to points raised in debate, Secretary of State for Foreign Affairs made it clear

(1) That what the House had to discuss was not a treaty, since there is no treaty or draft of treaty in existence, but mere preliminary statement of principle and of what countries concerned feel it would be possible for them to undertake and in what direction they think they can make an advance.

(2) That no obligation will be undertaken on behalf of this country except subject to the approval and ratification of parliament.

(3) That dominions have been kept fully informed of policy of His Majesty's government but that with the exception of New Zealand which has expressed its complete confidence in policy of His Majesty's government and its readiness to leave decision in their hands they have not yet declared themselves.

(4) That no dominion can be committed except by its own government acting with consent of its own parliament.

I think that covers the point raised by my hon. friend.

Item agreed to.

Amount required for expenses of Canadian delegates to the League of Nations, $15,000.

Sir HENRY DRAYTON: What is being taken up this year, and who are the delegates?

Mr. MACKENZIE KING: The government has not yet appointed delegates for the present year. It is the regular annual meeting of the league.

Sir HENRY DRAYTON: We have no special side show this year?

Mr. MACKENZIE KING: Not that I am aware of.

Item agreed to.

Miscellaneous—mental hygiene comity, $10,000.

Mr. WOODSWORTH: What is this organization, Mr. Chairman?

Mr. MACKENZIE KING: It is of a similar category to the tuberculosis and social hygiene associations, only it realates to mental diseases.

Item agreed to.

For reception of the Interparliamentary Union for Peace, $10,000.

Mr. WOODSWORTH: What is this organization?

Mr. MACKENZIE KING: It is an association of members of parliament of the different countries of the world. I understand they are having a meeting in the United States in the fall and intend to visit Canada for a few days. The government thought it would be in every way appropriate and desirable that these gentlemen should be invited to visit Canada and be our guests while here. My hon. friend from West York (Sir Henry Drayton) is vice-president of the association.

Sir HENRY DRAYTON: It is an extension of the visit to the United States, as my right hon. friend has pointed out. A large number of questions are discussed at the conventions of the association, and it may be looked upon as a useful auxiliary of the League of Nations. As a matter of fact, it started the idea of arbitration in the first instance. These members of parliament from all over the world meet together, and the social reactions result in a better knowledge of each country's troubles and difficulties, and as a result they are in a far better condition to consider any international questions that may arise.

Mr. THURSTON: How many countries are represented?

Sir HENRY DRAYTON: A great number. There are no bars to membership.

Mr. SPENCER: Where was the convention held last year?

Sir HENRY DRAYTON: My recollection is that it was held in Geneva.

Item agreed to.

Expenses under the Pecuniary Claims Convention with U.S.A.—further amount required, $9,000.

Sir HENRY DRAYTON: Some years ago I remember we had an arbitration board looking into pecuniary claims, but their sittings

were interrupted by the war. Is it functioning again?

Mr. MACKENZIE KING: I understand they are meeting again this year at Washington.

Sir HENRY DRAYTON: Who are our representatives now?

Mr. MACKENZIE KING: I understand that Mr. James White is making researches into matters pertaining to the commission.

Sir HENRY DRAYTON: I would be more familiar with the matter if I knew it was in the same position as before. The item is "further amount required." What have we already voted for this?

The CHAIRMAN: Five thousand dollars.

Mr. MACKENZIE KING: The item has been put in by the Minister of Justice (Mr. Lapointe). Perhaps my hon. friend would allow it to pass and get an explanation from the minister when he comes back.

Sir HENRY DRAYTON: If my right hon. friend cannot give us any information I think we may as well let the item pass. We may make a mistake if we expect the Minister of Justice back quickly.

Item agreed to.

Memorial Tablet to the late Allan Crawford, Commander, Wrangel island expedition, 1921, $1,000.

Mr. THURSTON: Where is it proposed to erect this memorial?

Mr. MACKENZIE KING: No place has been decided on as yet. I should think an appropriate place would be the University of Toronto, from which he graduated.

Item agreed to.

To provide for Canadian representation on Imperial Economic Committee, $4,000.

Sir HENRY DRAYTON: Will the Prime Minister explain this? It is a new one to me.

Mr. MACKENZIE KING: This is a committee which was appointed last year, the outcome of a recommendation made during the Imperial Economic conference. It has been appointed to consider the possibility of improving methods of marketing dominions products in the United Kingdom, and of increasing the dominions' share of the market in the United Kingdom for foodstuffs supplied by importations from abroad. Attention is being paid in the first place to meat and fruit. The United Kingdom market is represented by four members, and each dominion by two, the Canadian representatives being J. Forsyth Smith, of the Canadian Trade Commissioner service, at present Fruit Trade Commissioner in Great Britain, and L. C. McOuatt, of the Live Stock branch of the Department of Agriculture. This vote is for payment of their travelling and living expenses. The committee is sitting at present and will probably sit until August.

Item agreed to.

Conference between federal and provincial governments to consider amending the British North America Act, with respect to the constitution and powers of the Senate and in other particulars, $5,000.

Sir HENRY DRAYTON: Can we get the agenda of this conference?

Mr. MACKENZIE KING: No agenda is prepared as yet.

Sir HENRY DRAYTON: I thought we had the first item on the programme two nights ago. I thought that the interests of the Home Bank depositors had been jeopardized with the idea of getting item number one on the agenda for that conference. Is that not the case?

Mr. MACKENZIE KING: No.

Sir HENRY DRAYTON: Is there any time fixed for the meeting?

Mr. MACKENZIE KING: No.

Sir HENRY DRAYTON: Will it be held this year?

Mr. MACKENZIE KING: I think so, before the next session in any event.

Mr. MEIGHEN: Will the government undertake that it be held this year?

Mr. MACKENZIE KING: Before the next session of parliament, yes.

Item agreed to.

Public Works—chargeable to income—Matane—amount required to complete harbour improvements, the Hammermill Paper Company of Erie, Penn. contributing $100,000—$140,000.

Mr. MEIGHEN: This is for the celebrated Matane wharf. It is to drag $140,000 out of the treasury in one gulp and $4,660 in another. My information about this is that it is absolutely worthless; that not only is it worthless as an enterprise had it been properly handled, but that it has been bungled. What has been built is now dilapidated, and when it is constructed it will be of use only to the Hammermill Paper Company to carry our pulpwood out of Canada and to lose traffic to the Canadian National Railways. I cannot think that even at this sacrifice there is any possibility of electing the hon. member for the constituency.

Sir HENRY DRAYTON: I really do not think it is fair to the hon. member (Mr Pelletier) that he should not be allowed to make his speech on this subject. I think we should hear from him. He is the only one who can possibly give any justification for this vote.

M. PELLETIER: Monsieur le président, je remercie mon honorable ami de m'avoir invité à discuter l'item 438. Je dois vous dire qu'il est certainement de l'intérêt, non pas uniquement de Matane, mais aussi de toute cette région, que ce montant soit voté, afin de venir en aide à la population non seulement de ce district mais même à celle de la côte Nord.

Mr. Chairman, three years ago we had a vote for this work. There was a revote two years ago, a revote again last year, and part of this is a revote. I have already stated that this work is in the interests of my district as well as in the interests of the north shore. My right hon. friend states that it is only in the interests of the Hammermill Paper Company. I do not agree with him.

Mr. MEIGHEN: Does the hon. member say on the north shore?

Mr. PELLETIER: I state that companies are operating on the north shore, and they want to have their goods come through Matane. Everybody knows, except my right hon. friend apparently, that Matane existed before I came here. Apparently he did not know that.

Mr. MEIGHEN: Oh yes I did, and Matane will exist long after the wharf has rotted, for I am told it is half down now.

Mr. PELLETIER: It might be half down but neither my right hon. friend nor I can prevent rough weather. The work was done according to the plans and specifications, and I am not to blame for that, nor do I blame my right hon. friend. At the same time I want to see that district developed, and I endeavour to do the best I possibly can to come to the assistance of all concerned. Matane was the first harbour to open in March. On the 21st of March the first boat came into Matane.

Some hon. MEMBER: A row boat?

Mr. PELLETIER: No, it was not a row boat. I am absolutely sincere in this matter. There are five or six different companies operating on the north shore, and from the 21st of March to the 11th of April sixteen vessels came from the north shore to Matane, with 1,700 passengers. There were no other ports open then. Had it not been for the fact that we had begun the work and the improvements, these men who came across from the north shore to Matane would have starved, for the simple reason that they had been on rations for three weeks. I want to state fairly and squarely what the facts are. I have a report here from the collector of customs which I am willing to show to my right hon. friend if he wishes to see it. If my right hon. friend insists on being pessimistic so far as Matane is concerned, I am ready and willing to discuss this matter with him.

Mr. MEIGHEN: I never said anything pessimistic about Matane. The information I get is that the wharf is absolutely worthless, and it does not matter how many people come to Matane. This is to get the pulpwood of the Hammermill Paper Company across and into the United States, to be manufactured there into pulp and paper, and if it did not go over that wharf, it would go over the Canadian National railway, and we would at least get the freight out of it, even if we would lose all the work of manufacture. I am told besides there is some other concern there for which something has been built, purely assistance to private enterprise, and that a mess has been made of the construction, even though the purpose would not justify its construction. A mess has been made of the whole thing, and now the wharf is dilapidated, half of it down—

Mr. VIEN: Does my right hon. friend not know that the freight rates on pulpwood from that point would be absolutely prohibitive, and that consequently the Canadian National line do not lose any freight?

Mr. MEIGHEN: Oh, they do carry it, and lots of it. I only wish the rate was prohibitive, then we would manufacture our own pulp and the province of Quebec would get the work. The hon. member knows that the Canadian National and other railways carry very large quantities of pulpwood, and carry pulpwood right from here. That is going now to be exported from this port, if the wharf is ever built to be any good. In a word, the more use is made of the wharf, the worse for Matane and the district, but, of course, if a mess is made of the wharf, there will be no use made of it. The information I get is not from any distant quarter; it is right from there. I would like to know how much money has been sunk into this thing already. If it were any good for Matane, that is in proportion to its cost, nobody would oppose it. I do not think the district gets any too

much, but I do not like to see money wasted that might be used usefully for the district.

Mr. PELLETIER: I fail to see where it is money wasted. My right hon. friend claims that this is in the interest of a private company, but I fail to see that. It is not in the interest of a private company.

Mr. MEIGHEN: The estimate says they are contributing $100,000 to it. I do not think they would do that if it was not.

Mr. PELLETIER: Well and good, but would my right hon. friend blame me if I went to a company and obtained $100,000 from them in order to come to our assistance?

Mr. MEIGHEN: No, I would not. I wish you would get $200,000.

Mr. PELLETIER: I want to develop my own district. What am I here for?

Sir HENRY DRAYTON: I really think we should yield to that last appeal, but I think we should point out one or two things first. I really do not like to see such a mind as that of the hon. member for Lotbinière (Mr. Vien) labouring under such a sad delusion as to freight rates on pulp and pulpwood. If he had noticed what the railways are doing, he would have found that in a year of sliding tonnage they were carrying more of pulpwood on our railways, to the United States, of course—

An hon. MEMBER: Not from Matane.

Sir HENRY DRAYTON: I do not care where it is from. Of course, they cannot carry it from Matane because hon. gentlemen are making sure the railway cannot get the business. They are making sure that the business will be taken away from the railway and be carried by water. The fact is the railway records show, and we all know it if we pay any attention to the country's business, that there has been a big increase in this traffic. My hon. friend the genial member (Mr. Pelletier) has really a splendid procession here. He says this year, last year, for four years we have gone over all this. Yes, we go over it every year. It is a regular procession. We say there is something wrong with this wharf, although it is such a new wharf. As my right hon. friend has said it is rotting, more or less, and each time it gets a punch from a storm, more of it goes. The hon. gentleman says the wharf is made from plans, and we know how these plans work out.

Mr. PELLETIER: I did not make the plans.

[Mr. Meighen.]

Sir HENRY DRAYTON: No, I am sure my hon. friend would not make sure that improper plans were used. It is the ordinary plan, and we have been voting money for this work year after year. The hon. member, of course, will do what he can to further the interests of his district. The item reads:

To pay Messrs. J. R. & J. E. Boulanger, contractors, for construction of wharf, their claim for damage to the uncompleted work, caused by a storm of unprecedented severity on 9th December, 1924, notwithstanding anything to the contrary in the contract as originally entered into.

This declares that the damage is due to an unprecedented storm; but every hon. gentleman who has been in politics any length of time knows that there is a reason for items of this kind. Every now and then some favoured contractor is let off; if anything goes wrong he gets special relief. In these contracts there are clauses protecting the country on the one hand and the contractor on the other, and it is provided that, when the work is in the hands of the contractor, if there be any damage he shall be responsible. If that were not so the contracts would not be so worded. They are framed in this way so that irrespective of what his competitors might tender every contractor knows just what the terms are. Otherwise we might as well not have a contract.

Mr. PELLETIER: Suppose the department was responsible for the delay? My hon. friend says that the Canadian National Railways will be losing on the transportation of pulpwood; but are we not making up the difference in having a harbour at Matane to accommodate traffic coming from the north shore? The traffic is better now than it was prior to the time the work was begun.

Mr. MEIGHEN: Are they carrying goods to build the wharf?

Mr. PELLETIER: They are carrying goods and passengers. The hon. member referred to the amount paid to the Boulangers. There is no doubt whatever that the damage was due to the storm we had last fall. But who is to blame? It was simply an act of God and the damage must be repaired.

Mr. MEIGHEN: I suffered a lot from that storm myself. Can I get damages if I engage the influence of the hon. member?

Mr. PELLETIER: The hon. member suffered in 1921 and if he comes to Matane he will suffer again in the coming election.

Mr. THURSTON: The hon. member should not be held responsible for this item in the

estimates. We should have an explanation from the deputy minister.

The CHAIRMAN: He is not in a position to speak.

Mr. PELLETIER: This situation was explained last year and the year before, and the special claim for damages in this item is due to the storm.

Mr. McTAGGART: We should have a general explanation of the necessity for this long list of wharf repairs. I presume that these supplementary estimates are based on the recommendations of the departmental engineers, and apparently the main estimates are based upon the investigations of the engineers last summer. At what time did the engineers cover the ground and make their recommendations in regard to these particular affairs? Was it done in the summer?

Mr. COPP: They make their surveys and gather information and they send in their reports from time to time.

Mr. McTAGGART: Have all these items been recommended by the departmental engineers?

Mr. COPP: Yes, every one of them.

Mr. MEIGHEN: We have not yet learned how much this wharf has cost. It has been in the estimates now for three or four years and if there is no election this year it will be in the estimates next year again. What has it cost to date?

Mr. COPP: The total to date is $86,773.

Mr. MEIGHEN: And $140,000 more for this year.

Mr. COPP: The sum of $100,000 is paid by the company.

Mr. MEIGHEN: No.

Mr. COPP: Yes.

Mr. MEIGHEN: Then why vote $140,000?

Mr. COPP: The Department of Public Works in their arrangement with the company insisted that they deposit $100,000. So that as a matter of fact the government is providing only $40,000.

Mr. GARDINER: Is the government to be held responsible for damage sustained during construction under these contracts?

Mr. COPP: The contractor is held responsible of course but in any storm of unusual severity he can hardly be held liable.

Mr. MEIGHEN: Was the department in default? Was there any error or laches on the part of the department?

Mr. COPP: No, the department made no mistake. It was an act of God.

Mr. MEIGHEN: We pay the damages for the act of God both to ourselves and to the contractor.

Mr. COPP: Yes.

Mr. MEIGHEN: Who is the contractor?

Mr. COPP: Boulanger.

Mr. MEIGHEN: What is the name of the inspector?

Mr. COPP: Pelletier, is the name.

Mr. MEIGHEN: Is he a son of the late Postmaster General or of the member for the riding?

Mr. COPP: I do not know.

Mr. MEIGHEN: Inasmuch as the Postmaster General never had a son, I do not think it is likely that this man was his son. He may be a son of the member for the riding.

Mr. GARDINER: What was the estimated damage by the engineers of the department on this particular work?

Mr. COPP: The amount asked for in the vote.

Mr. GARDINER: Do the contractors bear any part of the damage at all?

Mr. COPP: We are relieving the contractor from the damage for the reasons I have stated. He did his work properly and efficiently.

Item agreed to.

Ontario—	
Bronte—wharf repairs	4,900
Burlington—breakwater extension	9,800
Burlington channel—repairs to north pier	3,100
Chatham—repairs to revetment wall—further amount required	7,500
Chute à Blondeau—wharf reconstruction	7,600
Collingwood—breakwater reconstruction	35,000
Honey Harbour—wharf	11,600
Laurenson Lake—dredging	2,000
L'Orignal—contribution towards cost of shore protection, the province of Ontario to contribute a like amount and the municipality—$1,000	2,000
Meaford—breakwater repairs	9,000
Midland—dredging	58,000
Midland—wharf—further amount required	45,000
New Liskeard—wharf repairs	3,650
Owen Sound—harbour wall	15,000
Port Stanley—harbour improvements and repairs—further amount required	10,000
Rondeau—dredging	32,000
Saugeon River—repairs to harbour works—further amount required	4,000
Sault Ste. Marie—dredging slip	61,000
Windsor—wharf repairs	3,000
	324,150

Mr. GARDINER: Will the minister give the committee information with regard to the Collingwood breakwater.

Mr. COPP: This amount of $35,000 is required to provide for the construction in concrete of 400 lineal feet of the north breakwater at the outer end and varying in width from 22 feet to 70 feet at the headblock. This is for reconstruction and repairs.

Mr. GARDINER: Is this work let by contract?

Mr. COPP: Yes.

Mr. GARDINER: Who are the contractors?

Mr. COPP: This is just voting the money and the contract will be called for later on. It has not been let.

Mr. McTAGGART: This is a new item for Honey Harbour. Is there any accommodation there at the present time?

Mr. COPP: The amount of the vote is $11,600.

Mr. MEIGHEN: I must enter a protest against this habit of bringing down supplementary estimates in batches—all sorts of works here, there and everywhere. There is no use in having these items in the supplementaries. The only object the government had was to spring the news gently, get the country to think there was not very much being voted, and then bring batches in at the last.

Mr. HOEY: Can the minister tell us where Honey Harbour is?

Mr. HAMMELL: I will tell the hcn. gentleman the reason why this item was not put in the main estimates. Honey Harbour is quite an important place on the Georgian bay, and until the present season the people had been served at a private wharf. During the past winter the owner of this wharf notified the people that they could no longer use it. There are about 2,500 people to be served by this wharf, and there is no other wharf in this locality.

Mr. HOEY: Has there ever been a government wharf at this point?

Mr. HAMMELL: No, for the simple reason that the locality has been served by a private wharf. But the business has increased so much of recent years, that a private wharf cannot accommodate the people.

Mr. GARDINER: Is it tourist traffic?

Mr. HAMMELL: Yes.

An hon. MEMBER: Bootleggers?

Mr. HAMMELL: No, we have no bootleggers up there.

Mr. MEIGHEN: I am protesting against this long string of supplementary estimates. We cannot get details. There is nothing to show us what was voted last year in any case. These items are all thrown at us in a lump. It is utterly unfair to parliament.

Mr. POWER: Was it unfair five years ago and ten years ago?

Mr. MEIGHEN: Yes, it would have been unfair then, but it was not indulged in at that time.

Mr. POWER: The hon. member must not make that statement. On the night before prorcgation in 1921 we passed estimates to the amount of $400,000,000.

Mr. MEIGHEN: We did nothing of the sort.

Mr. POWER: We passed all the supplementaries, and we had about ten additions to the supplementaries, to the best of my knowledge. We got a new sheet about every hour.

Mr. MEIGHEN: The hon. gentleman is sitting up too late. His constitution does not fit him to be up so late. The supplementaries in those days were never so protracted as these. What I am complaining of is that there is a long string, page after page as to one province, a whole batch by itself, and others almost equally long, of items that should have appeared in the main estimates if they were justifiable at all.

Mr. GRAHAM: They never do.

Mr. MEIGHEN: They should have.

Mr. GRAHAM: It has never been the practice.

Mr. MEIGHEN: Yes it has.

Mr. GRAHAM: I have been here longer than the hon. member.

Mr. MEIGHEN: What is the explanation of the $140,000, for Matane wharf in the supplementaries and nothing in the main estimates? That has been going on for years.

Mr. GRAHAM: The sum of $100,000 is being contributed by the Hammermill Paper Company.

Mr. MEIGHEN: It certainly should have been in the main estimates. I do not think there is any doubt in the minds of hon. members that it is just in the supplementaries in the hope that on the last

night there will be no opportunity of review. No other explanation can be given.

Mr. POWER: Was that the plan followed by the right hon. member's government?

Mr. MEIGHEN: Not at all.

Mr. POWER: It was the only good thing they learned from his government.

Mr. ROSS (Simcoe): There is a good deal in what the leader of the opposition (Mr. Meighen) says. There is a larger vote coming in the supplementaries. Just in reference to a vote which we have in the supplementaries for Collingwood harbour and which is a fairly large vote, $35,000, while that vote properly should have been in the main estimates, in order to explain why it is in the supplementaries, I am going to read the report of the district engineer, Mr. Wilson, of Toronto. His report was submitted on the 28th March, 1925, and we all know that was too late for the main estimates. This is a reconstruction of a breakwater in the harbour of Collingwood and this is what he says about the work:

> Unless this breakwater is repaired and made sound again before another winter passes, it is quite possible that the damage already done to it would be increased to such an extent as to imperil the harbour itself.
>
> There is already a great gash in the exposed side of the breakwater some thirty or forty feet long, the interior of the cribwork being quite exposed to the seas and the alignment of the superstructure at this point is thrown out some twenty-four inches. The maintenance of this breakwater is essential to the existence of Collingwood in that its one chief industry is that of shipbuilding. The cost due to delay in this matter would increase entirely out of all proportion to any saving in moneys not expended.

There is a little summary regarding the harbour itself and a little report from the Customs and Excise department as to the receipts. The figures for last year are as follows:

Customs and excise receipts..	$49,545 16
Tonnage of vessels arrived..	96,456
Tonnage of vessels departed..	117,723
Tonnage in and out..	214,179

The quantity of grain handled at the elevator is small because of lack of accommodation in that elevator. The elevator is an old elevator of the Grand Trunk and I think its capacity is only 160,000 bushels. Last year 2,000,000 bushels of grain were handled there. As regards the Collingwood Shipbuilding Company, the average annual work that is done in that plant including building new boats and repairs to boats—and it is quite a centre for repairing boats—amounts to $1,500,000. I just want to refer to this so that there will be no misunderstanding. This was not held back for the supplementary estimates at all in the hope that this was something that would slip through. It is a very necessary work and it was delayed just on account of the lateness of the report of the district engineer, Mr. Wilson, of Toronto.

Mr. MEIGHEN: Perhaps the report could have been asked for sooner.

Mr. ROSS (Simcoe): Perhaps so. One reason for the lateness of that report was that last fall, the Minister of Public Works (Mr. King) was making a tour of the bay ports and he managed to get around some of them. Then he was called away and
3 a.m. Owen Sound and Collingwood were the two which he did not manage to visit. It was hoped that he would visit this harbour later on in the fall because we wanted him to come and see for himself the situation and the necessity for the work. This accounts for the delay in putting in the requisition.

Mr. THURSTON: Most of these items are worded so as to lead one to think they are for the completion of work formerly started. As regards Owen Sound harbour wall, is this a new work? Is this amount required to complete it?

Mr. DUNCAN: The elevator at Owen Sound is being built by the town itself. It is not a government elevator. There is a suction dredge there which is putting the material over the land and this wall is to save the material from going back into the harbour.

Mr. MEIGHEN: Will the minister say why the hon. member for East Simcoe should get such plums as these, two or three of them, $58,000, $45,000 in the supplementaries and I do not know how much in the main estimates?

Mr. DUNCAN: As regards the item of $9,000 for breakwater repairs at Midland, there was a storm which damaged the breakwater and the boats cannot get in on that account.

Mr. BLACK (Yukon): There are items of $7,000, $4,800 and $2,700, all having nothing whatever to do with the Yukon system; they are British Columbia lines pure and simple. They have no more to do with Yukon than with New Brunswick or Nova Scotia.

Item agreed to.

SUPPLY—CONCURRENCE

The House proceeded to consider certain resolutions reported from committee of Supply

Mr. SPEAKER: I shall dispense with the usual reading of all the items of the estimates, main and supplementary, since it was decided by my predecessor in office, the Hon. Mr. Rhodes, that such motions are considered as non-debatable; I will give only the numbers of the resolutions.

Resolutions reported, read the second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Right Hon. GEORGE P. GRAHAM (for the Acting Minister of Finance) moved that the House go into committee of Ways and Means.

Motion agreed to and the House went into committee, Mr. Gordon in the chair.

Mr. GRAHAM moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1926, the sum of $184,922,314.28 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Mr. GRAHAM moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the fiscal year ending 31st March, 1925, the sum of $341,422.08 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolutions reported and concurred in. Mr. Mackenzie King thereupon moved for leave to introduce Bill No. 240, for granting to His Majesty certain sums of money for the public service for the fiscal year ending respectively March 31, 1925, and March 31, 1926.

Motion agreed to and bill read the first and second time, considered in committee, reported, read the third time and passed.

HOME BANK DEPOSITORS

CONCURRENCE IN SENATE AMENDMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved:

That the amendments made by the Senate, as amended in accordance with the report of the managers of the free conference, to Bill 182, an act for the relief of the depositors of the Home Bank of Canada, be agreed to.

I may say that while agreeing to the amendments that have been made, the government still maintains its position and reserves its right to discuss at some future time the constitutional question that may be involved with respect to the right of the Commons in the matter of money bills. Hon. members will have noticed that when the measure was before the House on June 23 I said in the course of my remarks:

It is important the government should place its position clearly on record. It may well be that the conference that will take place between members of this House and members of the Senate, should such a conference be held in further discussion of the reasons alleged here for not accepting the amendments, will not enter into a full discussion of the constitutional relations of the two Houses, but it may nevertheless be sufficient to decide what is the answer with respect to this measure. It is important, however, that the government's position should be clearly stated and of record for all time in the future.

At the conference it was made apparent to the government that no matter how much the Commons might insist on further amendments, their honours of the Senate would not agree to any modification beyond that which had been made. An important modification was the withdrawal of the preamble which the Senate had inserted and which rather emphasized a different point of view from that taken by the Commons as to the basis on which relief would be granted. There was also a further modification which permits all persons in necessitous or straitened circumstances to obtain the benefit of relief, and the managers of the conference on the government side felt that they had pressed the matter as far as it was possible to press it with any hope of gaining consideration. Under the circumstances, seeing that the session has reached the point that it has, it was thought unwise to take any other course with a view to gaining further relief for the depositors of the Home Bank. I may say that on June 20 I received an official communication which I shall read to the House in order that it may be on record. It is as follows:

June 20, 1925.

Right Hon. W. L. MACKENZIE KING,
Prime Minister,
Ottawa, Ont.

Dear Mr. Premier:

Confirming our conversation with you this day in reference to the action of the Senate upon the bill regarding relief to the depositors of the Home Bank of Canada, we beg to say that we accept the measure of relief thereby accorded to us.

Signed on behalf of the depositors:

W. T. J. LEE,
Chairman,

Home Bank Depositors' National Relief Committee.
H. H. Higginbotham
J. F. Treacy
G. G. Henderson

These gentlemen representing the national committee were very strong in the point of view which they presented, to the effect that the government should not jeopardize the possibility of relief being granted to the

depositors by pressing the matter unduly if it were likely to have that effect. The government feels that in the course it has taken it has gone as far as it would be prudent to go if relief is to be given immediately. I may say with respect to the bringing in of an estimate, that while there appears to be precedent in the British parliament for bringing in a bill to replace a bill that has not attained the object that was aimed at, there does not seem to be any precedent for bringing down an estimate to attain the object of a bill which had been previously introduced. It is quite possible that it is wholly within the competence of the Commons to do that; on the other hand I understand that a doubt has been raised with respect to the matter, and it might be raised in this instance. I might further mention that were the government to bring in a further measure of relief by way of an estimate, in view of the stand which the Senate has taken on this matter there is no guarantee that the Senate itself would accept it; they might reject it if brought in as an extra supplementary estimate—that is, assuming that such estimate were to pass the Commons. We feel we have pressed this matter as far as we can without jeopardizing the relief to those who will receive relief—and they constitute about eighty per cent of the depositors—under the bill as amended.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): Will the Prime Minister say what is the value of those words, "straitened circumstances"? The words preceding are to the effect that those who show need arising from the loss may be given consideration. What is the value of saying "straitened circumstances" as well? I cannot see that it changes the meaning at all.

Mr. MACKENZIE KING: The bill as amended by the Senate, as I recall it, permitted the granting of relief up to the extent of $500, that is, to those whose deposits amounted to $500 or less. But the amendment as now drafted permits others who have larger amounts to appeal before the Exchequer court, I think, and intimate that their circumstances are such as to render it necessary that they receive aid. In other words they would be in straitened circumstances.

Mr. MEIGHEN: Oh, no; the Prime Minister has not the effect of the history of the thing at all, if he has done justice to himself in that answer. The bill as amended by the Senate provided first of all that need should be the basis upon which anybody could get any money, but in order to save the investigation of every single case it said that need should be presumed if the deposits were $500 or under. The effect of the whole thing was that need had to be shown; it was presumed in the case of deposits of $500 or under, but it had to be shown in the case of deposits of larger amounts than $500. Now, the conference, following the rejection by this House of the Senate amendments, added the words "straitened circumstances" after "need". I do not know the difference between a man in need and a man in straitened circumstances. I do not think the amendment meant anything.

Mr. MACKENZIE KING: I would point out to my right hon. friend that the amendment originally proposed was "special need," and the substitution has been "special need or in straitened circumstances."

Mr. MEIGHEN: What is the difference?

Mr. MACKENZIE KING: I think probably it gives a little more in the way of latitude to the commissioner in granting relief.

Mr. MEIGHEN: I cannot see it. It may be the fine mind of the president of the Exchequer court can, but I cannot see it makes a bit of difference at all.

The next question is this: The Senate, I believe, has undertaken to abandon the preamble. There was no preamble in the bill that passed the Commons, but I have been looking up the records, and I find there is a preamble in the resolution the government introduced. The government, when the Senate put this preamble in, said they had no authority to assert what was in the preamble, but I have looked the matter up and see that the preamble the Senate put in is just the preamble the government had in the resolution. So what is the use of having the preamble struck out?

Mr. MACKENZIE KING: It was not in the bill.

Mr. MEIGHEN: It was in the resolution preceding the bill which the government introduced.

Mr. VIEN: Not the same.

Mr. MEIGHEN: It is like the difference between "special need" and "straitened circumstances."

Mr. VIEN: It is more than that. There is the question of moral claim. This is totally different.

Mr. MEIGHEN: What is the difference? The hon. member for Lotbinière (Mr. Vien) knows that the effect of this bill is to abandon all pretence of moral claim.

Mr. VIEN: Not at all.

Mr. MEIGHEN: Why, of course. The bill is on the basis of relief and nothing else now, so there was nothing to be objected to in the fact that there was no moral claim.

Mr. VIEN: The Senate has now dropped the preamble in which they contended it was a measure of relief only.

Mr. MEIGHEN: I know that, but the bill itself, no matter whether there is the preamble or not, makes it absolutely manifest to everybody that it is on the principle of compassion, whether it is recited or not.

Mr. VIEN: No.

Mr. MEIGHEN: What is the use of the member saying that to the House? Everybody knows it is exactly on the principle of compassion. It does not need to be recited. We all know it. So what was the value of dropping the preamble? It is purely academic; it does not amount to a hill of beans.

Mr. W. F. MACLEAN (South York): I hope the House will pardon me if I refer for a few minutes to the incident now before us. I have sat in this House a good many years, and have seen a number of disputes between the Senate and this House in regard to money bills and other questions. I ask the House if this is not something in the way of a solution of these difficulties, especially in view of the fact that a conference has to be called in regard to our constitution.

In regard to our Senate, I would have the constitution as written in the British North America Act amended in the direction of making seats in our upper house elective or appointive, for fixed terms, with the right of re-election or re-appointment at the end of the term.

And I would have their election or appointment rest in the legislatures of the provinces, not in the gift of the Governor-in-Council, or as a matter of fact in the gift of the Prime Minister, who may disappear any day as a responsible factor in the political life of the country. By this change the senators would always be responsible to their legislature, not as most of them are to-day to Prime Ministers or governments no longer in office.

In no parliamentary constitution outside of Great Britain does anything like so irresponsible a Senate exist as we have in Canada; and while the House of Lords in Great Britain is hereditary the party in office there can in a political emergency create new peers to overcome any holdup of their legislation, more important still of their money bills.

In the great democracy alongside of us the Senate of the United States is chosen by the voters of their respective states for fixed terms.

But it may be said that our Mother Country is a monarchy, not a federation. True we are a federation, and like the federation of the United States, our provinces, like their states, ought to choose senators for a limited period. Until we have this reform Canada has neither responsible nor autonomus government in the broad progressive parliamentary sense of that term.

May I add that our Governor-General is appointed for a fixed term, this House of Commons is elected for a fixed term, the legislatures and the lieutenant-governors of the provinces for fixed terms just as is the case in the United States. Our senators are appointed for life.

Otherwise, I respect the rights of the Senate. We need a second chamber, but one responsible to someone. To whom is our upper chamber responsible? Only to men out of office or long dead. And we must have the rights and duties of our Senate in regard to money bills limited to the full limit of modern parliamentary practice. In respect of responsibility and in regard to the rights of the lower house in money bills, we have neither of these things.

That is my proposal to cure the difficulties that have been occurring in this country, and the main difficulty is that we have a Senate that is not responsible. It ought to be responsible, as is the case in all other parliamentary institutions in the world that are recognized, and the only way to make them responsible is to have them elected for fixed terms, and the ones to elect them are the legislatures of the country, rather than electing them in the irresponsible way in which they are chosen now. The Prime Minister now appoints them. Well, Prime Ministers disappear, and then there is no one to hold responsible. A crisis has arrived. I have seen it coming for many years, but it is now more pressing than ever, and it must be cured. If this parliament, this House of Commons and the Senate, fails to tackle that question, we shall end up in annexation or drift to some other country where there is responsible government. I have every respect for the Senate. They are in office by law, but surely this country living alongside the great democracy to the south of us, should have a more democratic Upper

Chamber, especially in view of the fact that the very things of which we complain to-day are about to be cured in the Mother Country by legislation that I think will soon be introduced by the Baldwin government. The way they are going to cure it there is to substitute elective representatives in the House of Lords. They are going to have them elected for fixed terms, and the legislation will be proposed within a year. If I may quote authority, I will quote the authority of Lord Birkenhead, who had to lead with this question. The way to make the Senate more responsible is to elect the senators for fixed terms, and to have them selected by some responsible body, by the legislatures of this country.

I have had the courage to deal with this question, like I had the courage a little while ago to deal with the railway question, and only yesterday I got the endorsement of my position in regard to the railway question from this very Senate we are criticizing here to-night.

Sir HENRY DRAYTON: (West York): I am somewhat disappointed at the way matters have gone in connection with this Home Bank legislation. I pointed out to the government at the time what the effect would be of these claims touching constitutional questions. My view of this whole matter has remained unchanged; it is precisely the same now as it was when first the subject was broached. It has been my view all along that the matter should be treated from the standpoint of necessity and compassion and with the object in view of extending aid in such a way that there would be as little suffering as possible as a result of the failure of the Home Bank. But that principle has not by any means been entirely carried into effect; instead of that we find the matter dealt with apart from any consideration of necessity among those who have suffered most. I would have had the payments so made as to apply in ease of the cases where the greatest need exists. I would have had them apply to eleemosynary institutions such as churches, unions and the like. I pointed out to the government when the question was first brought up just what was likely to happen, and what I said on that occasion has proved absolutely true. Instead of going to the Senate on the question on the merits of the legislation, that of giving a larger share of the grant to those who most need it, hon. gentlemen opposite elected to go rather on the question of cold constitutional procedure. For some reason or other the human element, the real consideration that should move any of us in connection with this legislation, was entirely overlooked. I did not vote against the measure, because I did not want to do anything that would in any way interfere with the position of the depositors. But the government has chosen to act solely on constitutional grounds instead of being moved by considerations of relief. What chance had they of getting any recognition of the merits of the question when they went to the Senate with a chip on their shoulder? They have had no relief; nothing whatever has been done. The result is just what they had a right to expect. The government's interest in this matter from start to finish has been political, from the very first order in council; and everyone knows it. They laugh now, and that shows the extent of their sympathy in the pain and suffering that have come to those who have suffered by the failure of this bank. Hon. gentlemen when they treat this matter lightly are not doing either themselves or their party justice. What I said on the previous occasion has proved to be absolutely correct. We have had a sham battle between this House and the Senate.

An hon. MEMBER: Let us have a live one.

Sir HENRY DRAYTON: What hon. gentleman expresses that wish? It is the ever ready aid that comes to the government from British Columbia, and the hon. member is running true to form. He is looking for a Liberal nomination at the next election.

Mr. NEILL: I rise to a point of order.

Sir HENRY DRAYTON: I was not referring to the hon. gentleman but to the member sitting next to him.

Mr. NEILL: You looked at me.

Sir HENRY DRAYTON: My hon. friend's eyesight is at fault to-night. If the House is in the proper condition, Mr. Speaker, I will proceed.

Mr. MURDOCK: "Condition" is right.

Sir HENRY DRAYTON: Hon. gentlemen's conduct shows plainly what hope we may have that the real merits of the question will be considered. The Prime Minister says that the matter has been pressed as far as it could be and that the bill must be accepted. What has been pressed upon the Senate? Look through the reasons passed by this House. What has been pressed upon them? The merits of the depositors' claims? Their necessities? Not a word of it. Forgotten entirely. It was

solely the question of constitutional rights, and my right hon. friend gets off just where he commenced. What has he done, Mr Speaker? He has commenced a constitutional contest. That contest had for its object the determination of the question as to whether the Senate had any right to interfere with a financial bill or not. How did it end? It ended by my right hon. friend accepting the position taken by the Senate? Why, we might as well have had no conference and saved this time and this farce.

Mr. MACKENZIE KING: I do not think my hon. friend could have been in the House when I spoke.

Sir HENRY DRAYTON: Yes, and I heard what the right hon. member said.

Mr. MACKENZIE KING: The hon. member has forgotten it.

Sir HENRY DRAYTON: I do not think I have forgotten very much. We have here the difference between Tweedledum and Tweedledee. It is something which my right hon. friend may be able to distinguish, but I do not think the people of this country are going to worry very much about it. The fact remains that the real issue was as to whether or not the Senate had the right to amend a financial bill. And the real result is that to-day the Prime Minister says they have the right, and let us accept it. And there it stands. It is done. There is really nothing else. What was the object of all those reasons for adoption by this House unless that was the object? What was the reason of forgetting all about the merits of the case, unless that was the object? We have this difference now, so far as the real issue is concerned; we have the preamble dropped, and every lawyer in this House knows that the preamble is a matter of absolutely no importance.

Mr. SHAW: May it not be of some value in interpreting the bill?

Sir HENRY DRAYTON: My hon. friend, with his customary gallantry, is coming to the assistance of the government who sorely need it now.

Mr. VIEN: My hon. friend will allow me—

Sir HENRY DRAYTON: I will not. We have had a suggestion and I can deal with it at once. My hon. friend from Lotbiniere now wants to speak. What is the matter with the Minister of the Interior? He is making an exhibition of himself.

Some hon. MEMBERS: No, no.

[Sir Henry Drayton.]

Sir HENRY DRAYTON: An absolute exhibition of himself.

Mr. STEWART (Argenteuil): My hon. friend is ignoring everything that was stated by the Prime Minister.

Sir HENRY DRAYTON: I am coming to it just as quickly as my hon. friend wants it. The preamble is not the operative part of any statute. The preamble is of use—and here I think I carry with me the judgment of my gallant friend from West Calgary (Mr. Shaw)—in case there be any real doubt as to the meaning of any section of the act as indicating what the object of the act is. We have a change in that preamble. Now did my right hon. friend the Prime Minister indicate more changes in the preamble than that change and the change in relation to "straitened circumstances"? If there be anything else I confess I did not hear it, and I am going to ask the Minister of the Interior what else was said.

Mr. STEWART (Argenteuil): The hon. member is ignoring the principal statements made by the Prime Minister.

Sir HENRY DRAYTON: What were they?

Mr. STEWART (Argenteuil): That is for you to say.

Sir HENRY DRAYTON: The Minister of the Interior knows full well that when I state there was a change made in that preamble, and when I state there was the addition of the words "straitened circumstances" I have covered everything.

Mr. STEWART (Argenteuil): I call attention to the fact that not more than three minutes ago my hon. friend said there was no change in the preamble.

Sir HENRY DRAYTON: My hon friend is entirely wrong. I did not make that statement. The statement I made was that the change in the preamble was of no material consequence.

Mr. STEWART (Argenteuil): The hon. member made the statement a few minutes ago.

Mr. VIEN: The hon. member said it had no importance.

Sir HENRY DRAYTON: I still say so.

Mr. VIEN: It has.

Sir HENRY DRAYTON: I still think it has not. I do not mind the chorus at all, and if we have another one I do not care. I rather like the chorus. It just shows how far

hon. gentlemen are prepared to go for the purpose of preventing anything like a fair discussion of this question.

Mr. VIEN: No.

Sir HENRY DRAYTON: I am not at all disturbed by the chorus. I invite more of it.

Mr. VIEN: We invite fair discussion, not that kind of thing.

Sir HENRY DRAYTON: The hon. member from Lotbinière goes too far. He is talking nonsense.

Mr. VIEN: The nonsense is not on my part.

Sir HENRY DRAYTON: I am going to ask the Minister of the Interior what changes were made in this bill, except the change in the preamble and the change by adding the words "straitened circumstances."

Mr. STEWART (Argenteuil): The only observation I have to make is that my hon. friend said three minutes ago there was no change at all.

Sir HENRY DRAYTON: I never said that and the hon. gentleman ought to be able to know I did not say that. He knows very well I did not say it. I could not have said it.

Mr. STEWART (Argenteuil): Look in Hansard.

Sir HENRY DRAYTON: We will forget what has been said, and I now ask the Minister of the Interior what changes were made, except the change in the preamble and the addition of the words "straitened circumstances." What else was there?

Mr. STEWART (Argenteuil): If my hon. friend admits that and sticks to that ground I have no complaint.

Sir HENRY DRAYTON: That is the only ground I have ever taken—nothing else. I have dealt with the preamble.

Mr. POULIOT: Does the hon. member think the preamble is material or immaterial to the bill?

Sir HENRY DRAYTON: I have already tried to make plain that the preamble in the legal sense may be of great importance. It is a matter of great importance where there is a question as to the proper interpretation of the clauses of the act. In that case it is important.

Mr. GRAHAM: Is not the preamble really the foundation of the bill?

Sir HENRY DRAYTON: Not at all. If my hon. friend is right in that, the bill is no good without a preamble, because it is without foundation, and in that case it is useless. My hon. friend is entirely wrong; but in this case—and I am now addressing myself to the hon. member who asked me the question—in this case there is no question of doubt as to the terms, and therefore, there is no importance in the preamble. The act will be construed exactly the same with or without the preamble. Now I come to the other point—

Mr. POULIOT: Does the hon. member think it is better to have a reason to do something than to have none?

Sir HENRY DRAYTON: The hon. gentleman is quite right. It is better to have a reason. I would be pleased if we could always have the reasons stated fairly and honestly by this government. I have no doubt as to my reasons and where I stand. I would commend my hon. friend to turn his hand to preaching the gospel to this government.

I come to the second point. What is the difference between "need" and "straitened circumstances"? Anybody that is at all honest with himself knows there is no difference. Not a single extra depositor of the Home Bank will get five cents as a result of that amendment, and no one knows that better than the government itself. The signal for retreat is sounded. The flags are furled. The government come back. We have to take just what the Senate says. All opportunity has been lost of having in that conference a real consideration of the claims of the depositors, and everything that I said before this question went over to the Senate has been proven to be true. I want to see these depositors helped. As a result of the position which my hon. friend has deliberately placed himself in, I do not see how we can get anything more for them now unless, of course, another estimate were submitted. But as the matter stands now, even at the expense of the constitutional claims of this chamber being flouted, there are the compelling rights and needs of 80 per cent of the depositors, and as a result of the manner in which the government has handled the constitutional question on the one side and the claims of the depositors on the other, I have no objection to action being taken now along the course that is indicated.

4 a.m.

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): I will not say much, because very little is required.

Sir HENRY DRAYTON: We will give the right hon. member a proper hearing in any case. We shall perhaps show some of the right hon. gentleman's followers what they should do.

Mr. GRAHAM: I think the dropping of this preamble by the Senate is of more moment than my hon. friend suggests. One of the points in the preamble to which strong objection was and ought to be taken is that the upper chamber presumed to speak for the government. Let me read the preamble:

Whereas certain creditors of the Home Bank of Canada have by their petition to the Governor in Council represented that they have, by the suspension of that bank, sustained serious losses which they are ill able to bear, and have prayed that pecuniary aid may be afforded them on the grounds of commiseration and of an alleged moral responsibility of the government of Canada, for the causes of such losses; and whereas such responsibility is not admitted, but it is expedient to afford pecuniary aid to certain of the said creditors as provided, by this act: Therefore His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

With that amendment inserted, the position of the Senate would be confirmed that they practically had a right really to initiate a money bill on behalf of the government. I say that to get the consent of the Senate to remove that preamble altogether was a very long step towards the contention of this House as presented to the Senate in the objections raised by this House to the acceptance of the amendment.

Mr. MEIGHEN: Imagination.

Mr. GRAHAM: My right hon. friend says "imagination." We have had enough imagination. I am going to stick to facts. The ex-Minister of Finance (Sir Henry Drayton) made a statement that, I think, cannot be borne out by the evidence, that is that there had not been any attempt on the part of this House to change the mind of the Senate on any essentials.

Sir HENRY DRAYTON: On the merits.

Mr. GRAHAM: I will take the merits then. He was not at that conference.

Sir HENRY DRAYTON: I am taking the reasons. I have a right to do so. They are in writing.

Mr. MEIGHEN: The point is this. The conference could not take up anything except what was urged in the Commons resolutions, and they did not go into the merits at all.

[Sir Henry Drayton.]

Mr. GRAHAM: My right hon. friend is wrong. He is like the man in gaol. Nothwithstanding the fact that his lawyer told him he could not be put there, he was there. Notwithstanding the fact that my right hon. friend says that we could not discuss in the conference the merits of the case, we did discuss them.

Sir HENRY DRAYTON: Did you get any results?

Mr. GRAHAM: That is not the question. My right hon. friend says that no suggestion was made as regards the merits.

Mr. MEIGHEN: You could not get any results because they were not in the resolutions.

Mr. GRAHAM: I am afraid my hon. friend is breaking his promise to me that I would get a hearing. As a matter of fact, the managers of the conference representing the House of Commons urged upon the managers representing the upper house the advisability of raising the amount, of making $1,000 the minimum to be paid in full instead of $500. They urged upon that conference the wisdom of including churches, societies and unions in the class that was to be paid in full; but they were told very frankly by the managers from the Senate with no suggestion of ill temper, that those terms and amounts of payment could not be changed, or the Senate would not carry the bill. Therefore, the managers from the House of Commons were up against this proposition—it was that or nothing as regards the depositors. What were the managers to do? If the ex-Minister of Finance had been there and he had acted as he talked to-night, the ill-fated depositors of the Home Bank would not have got a farthing.

Sir HENRY DRAYTON: My right hon. friend is talking nonsense now.

Mr. GRAHAM: The managers of the upper house told us quite frankly as regards the amounts and terms of payment that they would make no change and, if a change was made, the Senate would defeat the bill. Under those circumstances, the managers from the House of Commons, having the preamble deleted by the consent of the Senate, having the words "in straitened circumstances" added as causes for payment of demands over $500, secured for the depositors the sure payment of the amounts named in the bill as now to be accepted. Otherwise the depositors of the Home Bank would not have got one farthing.

Mr. MEIGHEN: Will the minister explain the difference between a man in special need and a man in straitened circumstances?

Mr. GRAHAM: Mr. Speaker, the ways of our legal men are beyond the understanding of laymen.

Mr. MEIGHEN: Hear, hear.

Mr. GRAHAM: We were told by eminent lawyers in both Houses who understand the meaning of legal terms that the adding of these words enlarged the scope and would enable the commissioner, the preamble being deleted, to take perhaps a broader view of the cases that might be referred to him either for great need or for straitened circumstances.

Mr. MEIGHEN: Has the minister any objection to telling us who were the lawyers?

Mr. GRAHAM: I do not wish to be personal.

Sir HENRY DRAYTON: I would not name them.

Mr. GRAHAM: If I named them I think they would stand up in the company of the hon. gentleman as men of high legal attainments.

Sir HENRY DRAYTON: Name them.

Mr. GRAHAM: I would not name them at all.

Sir HENRY DRAYTON: Nor would I.

Mr. GRAHAM: Nor would I—but not from the same cause as my hon. friend.

Sir HENRY DRAYTON: I knew you would not; you cannot.

Mr. GRAHAM: If the member for West York had attended the conference, and had acted along the lines he advanced to-night, the Home Bank depositors would not get a farthing.

Mr. MEIGHEN: Will the minister be fair enough to the member for West York to repeat what it was he said which, if he had pressed it in the conference, would have resulted in the Home Bank depositors getting nothing?

Mr. GRAHAM: He ridiculed everything that was done in the conference from start to finish, and said that not one thing had been pressed upon the Senate representatives on the merits of the case. Indeed, he pointed out that the whole thing had been a farce.

Sir HENRY DRAYTON: Mr. Speaker, I was referring to the reasons adopted in the House. I did not know what took place in the conference. I was supposing that the members of that conference behaved themselves in the manner in which this House indicated that they ought to behave themselves, and made the claims that this House instructed them to make. That is what I expected.

Mr. MACDONALD (Pictou): Mr. Speaker, as one of the members of the conference, let me say to my hon. friend that we urged upon the members from the Senate in the strongest possible way that the amount to be paid to the depositors should be increased, as my colleague has said, and it was intimated to us that not one cent would be agreed to by them or voted by the Senate.

Sir HENRY DRAYTON: Will my hon. friend point out any single ground adopted by this House on that point?

Mr. MACDONALD (Pictou): My hon. friend is getting off on a technical discussion.

Sir HENRY DRAYTON: No.

Mr. MACDONALD (Pictou): I am explaining what went on at the conference. When the right hon. gentleman intimates to this House that we did not discuss the question as to whether more money should be paid or not, I say to him that we did discuss it, we urged it upon the members of the Senate, and they intimated to us that they would not increase the amount by a single dollar, and that unless we accepted the proposals in regard thereto the bill would be defeated.

Mr. MEIGHEN: Does the minister not see that by the resolutions they adopted they made it impossible for the conference to act on any objection that they urged there, no matter what stand they may have taken?

Mr. MACDONALD (Pictou): The members of the conference representing the Senate took no such ground.

Mr. MEIGHEN: It was manifest to everyone.

Mr. GRAHAM: I want to insist again, as my last word, that the managers from this House pressed to the limit every point. Notwithstanding the technical objections of my right hon. friend that they could not do it, they did do it. I say now that, notwithstanding these technical objections being raised, if the managers from the House of Commons could have brought back word that the amount would be increased, this House would have accepted that amount.

Mr. MEIGHEN: Why did not the government put in the resolution some of these reasons which they pressed on the conference?

Mr. VIEN: Mr. Speaker, the resolution passed by the House in no way constituted instructions to the managers that discussed the matter on behalf of the Commons. When this House was requested by the Senate to agree to the amendments, we passed the resolution stating the reasons why this House could not concur. After that, when the Senate advised this House that they would insist on their amendments, we decided to appoint managers, but, I repeat, our managers were in no wise restricted by the terms of the resolution. They were given an absolute mandate, unrestricted by the terms of the resolution, to press for the withdrawal of the Senate amendments.

Mr. MACKENZIE KING: May I answer my right hon. friend's question as to our not including what we said in the resolution? One of the reasons given is, "because the title, principle, policy and economy of the said bill as passed by the House of Commons has been completely altered." That includes absolutely everything.

Mr. MEIGHEN: No.

Mr. MACKENZIE KING: It includes the policy of the bill, the economy of the bill—everything.

Motion agreed to; amendments read the second time and concurred in.

CIVIL SERVICE SUPERANNUATION ACT, 1924, AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Right Hon. GEORGE P. GRAHAM (for the Acting Minister of Finance) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 239, to amend the Civil Service Superannuation Act, 1924.

Motion agreed to; amendments read the second time and concurred in.

AUDIT BOARD

CONCURRENCE IN SENATE AMENDMENTS

Right Hon. GEORGE P. GRAHAM (for the Acting Minister of Finance) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 233, to constitute an audit board.

Sir HENRY DRAYTON: Mr. Speaker, may we learn what the amendments are?

[Mr. Graham.]

Mr. GRAHAM: The following words are stricken from section eight:

—with respect to the audit of the public accounts of Canada or any detail thereof

The whole section reading, without these words:

Nothing herein contained shall impair the authority given by the Consolidated Revenue and Audit Act to the Auditor General of Canada.

Sir HENRY DRAYTON: What is the effect of the change?

Mr. GRAHAM: I think the Senate considered these words superfluous and that under the Audit Act the Auditor General has full power.

Sir HENRY DRAYTON: No limitation?

Mr. GRAHAM: Nothing.

Motion agreed to; amendments read the second time and concurred in.

DOMINION ELECTIONS ACT AMENDMENT

CONCURRENCE IN SENATE AMENDMENTS

Hon. A. B. COPP (Secretary of State) moved the second reading of and concurrence in amendments made by the Senate to Bill No. 148 to amend the Dominion Elections Act, as amended.

Sir HENRY DRAYTON: May we learn, Mr. Speaker, what the changes are?

Mr. COPP: There is a very slight amendment changing section four regarding the appointment of the returning officer. As we passed the section the Secretary of State would make the appointment. The Senate have added the words:

The Governor in Council upon the recommendation of the Secretary of State.

The provision that the returning officer shall be appointed for one year is amended by providing for appointment "during pleasure".

Mr. MACKENZIE KING: To permit of patronage if another government should come into office.

Sir HENRY DRAYTON: Is my right hon. friend serious in that remark? It seems to me that he has all the patronage he wants; he is taking all he can get, here, there and everywhere, by proceeding without regard to the Civil Service Act wherever possible. If my right hon. friend is serious, why does he accept this amendment?

Mr. MACKENZIE KING: He wants to get through the session.

Sir HENRY DRAYTON: That may be an excuse, or it may be a reason.

Mr. MACDONALD (Pictou): It is a pretty good one.

Sir HENRY DRAYTON: The Minister of National Defence says it is a good one. I have no doubt he wants to get down to Nova Scotia and repair broken fences. The Prime Minister says the Senate wants to restore patronage. Well, only one meaning can be drawn from my right hon. friend's remark; he knows full well that after the next election the reins of power will be transferred from trembling hands into stronger hands.

Mr. MACKENZIE KING: I said, should there ever be a change.

Sir HENRY DRAYTON: No, what my right hon. friend said was this—

Mr. MACDONALD (Pictou): Do not be too meticulous at this time of the morning.

Sir HENRY DRAYTON: My hon. friend, I am afraid, is not drawing the necessary distinction between a matter meticulous and a matter of truth. Now, what was said was that the effect of this amendment was to restore patronage, and I submit that there is no foundation for that remark.

Mr. MACDONALD (Pictou): Do not worry about it.

Sir HENRY DRAYTON: The Minister of National Defence is right; there was nothing to the remark, and we will not worry about it.

Motion agreed to; amendments read the second time and concurred in.

BUSINESS OF THE HOUSE

ADJOURNMENT

Right Hon. W. L. MACKENZIE KING (Prime Minister): I move, seconded by Mr. Graham:

That on Saturday the 27th of June 1925, the House shall meet at eleven o'clock in the morning; that in addition to the usual intermission at six o'clock p.m., there shall also be an intermission from one to three o'clock; and that the order of business and procedure shall be the same on that day as on Friday.

Mr. SPEAKER: By unanimous consent.

Mr. MEIGHEN: Before I consent to this I want to know what the purpose is and what the intention is as to business to-morrow.

Mr. MACKENZIE KING: It is only to ensure that the Commons will be assembled in the morning at eleven to receive the message from His Excellency when he comes to prorogue parliament, either in person or by his deputy.

Mr. MEIGHEN: There will be no further business than that of prorogation?

Mr. MACKENZIE KING: No further business.

Motion agreed to.

On motion of Mr. Mackenzie King the House adjourned at 4.20 a.m. (Saturday).

Saturday, June 27, 1925.

The House met at eleven o'clock.

PROROGATION OF PARLIAMENT

Mr. SPEAKER: I have the honour to inform the House that I have received the following letter:

Office of Governor General's Secretary
Canada
Ottawa, 27th June, 1925.

Sir:

I have the honour to inform you that the Right Honourable F. A. Anglin, acting as Deputy Governor General, will proceed to the Senate Chamber on Saturday, June 27th, at 11 a.m. for the purpose of proroguing the present session of parliament.

I have the honour to be, Sir,

Your obedient servant,

A. F. SLADEN,
Governor General's Secretary.

The Honourable,
The Speaker of the House of Commons,
Ottawa.

I have the honour to inform the House that I have received the following message from the Senate:

Saturday, 27th June, 1925.

Resolved, that a message be sent to the House of Commons to acquaint that House that it is the Deputy Governor's desire that they attend him immediately in the Senate chamber, and—

Ordered, that the said message be communicated to the House of Commons by one of the clerks at the Table.

A. E. BLOUNT,
Clerk of the Senate.

Right Hon. ARTHUR MEIGHEN (Leader of the Opposition): It seems necessary, Mr. Speaker, to remind the government of the undertaking given me yesterday by the Minister of Trade and Commerce (Mr. Low) and the Minister of the Interior (Mr. Stewart, Argenteuil).

Right Hon. GEORGE P. GRAHAM (Minister of Railways and Canals): Mr. Speaker, the reply to that question was made out and I see there are several errors in it, so that it could not be very well laid on the table of the House. I promise my right hon. friend that the corrections will be made and he will be sent a copy of it.

Mr. MEIGHEN: Another hon. member insisted on its being read into Hansard, which certainly he had a right to ask. The return was to have been read in this morning, as complete as it could be made, with an estimate of Mr. Symington's fees.

Mr. LOW: I shall be pleased to lay on the table of the House now an estimated statement of Mr. Symington's fees, and any other information completed in the department.

Mr. MEIGHEN: It is understood that it is read into Hansard?

Mr. LAPOINTE: It is a return.

Mr. MEIGHEN: What is the government doing about the question? The government come this morning with a wrongly answered question. Certainly the question as rightly answered should go into Hansard.

Mr. LAPOINTE: Why?

Mr. MEIGHEN: Because that was the undertaking of the government.

Mr. LAPOINTE: The undertaking was to lay the information on the table of the House.

Mr. MEIGHEN: Not at all; the Minister of Justice (Mr. Lapointe) was not in his seat. The undertaking was as I have stated it. If we are to end up with a breach of faith on the part of the government, it is well that everybody should know it.

Mr. LAPOINTE: Why should the right hon. gentleman have special privileges in this House?

Mr. STEWART (Argenteuil): My understanding was we were to give to the right hon. gentleman—

Accordingly, Mr. Speaker with the House, went up to the Senate chamber.

In the Senate chamber, the Right Honourable the Deputy of His Excellency the Governor General was pleased to give, in his Majesty's name, the royal assent to the following bills:

BILLS ASSENTED TO

An Act to amend the Northwest Territories Act.
An Act to amend The Bankruptcy Act.
An Act to amend The Civil Service Act, 1918, respecting certain Post Office employees.
An Act to amend The Income War Tax Act, 1917.
An Act to amend an Act to provide Compensation where Employees of His Majesty are killed or suffer injuries while performing their duties.
An Act to amend The Fruit Act.
An Act for the relief of Walter Thomas Pratchett.
An Act for the relief of Samuel James Connor.
An Act for the relief of Andrew Toulouse.

[Mr. Graham.]

An Act for the relief of Albert Plue Jessop.
An Act for the relief of Cecil Hunter.
An Act to change the name of "The Dominion Woman's Christian Temperance Union" to "Canadian Woman's Christian Temperance Union."
An Act respecting Divorce.
An Act to amend The Dairy Industry Act, 1914.
An Act to amend The Yukon Quartz Mining Act.
An Act to amend the Customs Act.
An Act to provide for further advances to the Quebec Harbour Commissioners.
An Act for the relief of Matthew Wilson Lazenby.
An Act for the relief of Evelyn Laura Herlehy.
An Act for the relief of Lois Kathleen Purdy.
An Act for the relief of George William Quibell.
An Act for the relief of Frederick Ethelbert Shibley.
An Act for the relief of Alfred Percival Selby.
An Act for the relief of Charles Thomas Bolton.
An Act for the relief of Ada Durward.
An Act for the relief of Edward James Hogan.
An Act for the relief of Roger Alexander McGill.
An Act for the relief of John Perron.
An Act for the relief of William Albert Everingham.
An Act for the relief of Mary Ella Mackey.
An Act for the relief of Melvin Grant Cowie.
An Act for the relief of Ella May Stacey.
An Act for the relief of Jessie Harriett MacKey.
An Act for the relief of Edna Fox.
An Act for the relief of James Jackson.
An Act for the relief of William Frederick Hamilton Strangway.
An Act to amend The Railway Act.
An Act to amend an Act respecting the National Battlefields at Quebec.
An Act to amend the Prisons and Reformatories Act.
An Act for carrying into effect a Treaty signed 6th June, 1924, between His Majesty in respect of Canada and the United States of America, for the suppression of smuggling operations and for other purposes.
An Act to amend the Excise Act.
An Act respecting certain patents of Accounting and Tabulating Machine Corporation.
An Act for the relief of Walter Roderick Lewis.
An Act for the relief of Irene Muriel Corelli.
An Act for the relief of Wilfred Clarence Byron.
An Act for the relief of Jessie Irene Yates.
An Act for the relief of Walter Lewis Hawkins.
An Act for the relief of Lucy Eileen Johnston.
An Act for the relief of Susan Ellen Taunton Love.
An Act for the relief of Caroline Watters.
An Act for the relief of Grace Wilhelmina Harrison.
An Act for the relief of Ethel Foster.
An Act respecting The Canadian Pacific Railway Company.
An Act respecting The Essex Terminal Railway Company.
An Act to incorporate Knights of North America.
An Act respecting a patent owned by the Concrete Surfacing Machinery Company.
An Act respecting The Calgary and Fernie Railway Company.
An Act for the relief of Mary Ann Tattersall.
An Act for the relief of James Deverell.
An Act for the relief of Anita Allcock.
An Act for the relief of Euphemia Tudor Slade.
An Act for the relief of Marion Roberts Edmiston.
An Act for the relief of William Morgan Floyd.
An Act for the relief of Harry Iven Jones.
An Act for the relief of Edith Smith.
An Act for the relief of Mary Helen Wallace.
An Act for the relief of Wilbert Newell Hurdman.
An Act for the relief of Maude Crawford Ross.
An Act for the relief of William Garfield Reed.
An Act for the relief of Bertha Matilda Quinn.
An Act respecting the disposal of the Canteen Funds.

An Act respecting a patent owned by The John E. Russell Company.

An Act respecting a patent owned by The John E. Russell Company.

An Act for the relief of Elizabeth Ethel McSherry.

An Act respecting trade relations with Australia.

An Act to amend The Soldiers' Settlement Act, 1919.

An Act to constitute a Board of Audit.

An Act for the relief of certain Creditors of the Home Bank of Canada.

An Act to amend the Pension Act.

An Act to amend The Criminal Code.

An Act respecting Grain.

An Act to amend The Dominion Elections Act

An Act to amend the Civil Service Superannuation Act, 1924.

An Act for granting to His Majesty certain sums of money for the public service of the financial years ending respectively the 31st March, 1925, and the 31st March, 1926.

To these bills the royal assent was pronounced by the Clerk of the Senate in the following words:

In His Majesty's name, the Right Honourable the Deputy of His Excellency the Governor General doth assent to these bills.

Then the Honourable the Speaker of the House of Commons addressed the Right Honourable the Deputy Governor General as follows:

May it please your honour:

The Commons of Canada have voted supplies required to enable the government to defray certain expenses of the public service.

In the name of the Commons I present to Your Honour the following bill: An Act for granting to His Majesty certain sums of money for the public service for the financial years ending respectively 31st March, 1925 and 31st March, 1926.

To which bill I humbly request your honour's assent.

To this bill the Clerk of the Senate, by command of the Right Honourable the Deputy of His Excellency the Governor General, did thereupon say:

In His Majesty's name, the Right Honourable the Deputy of His Excellency the Governor General thanks his loyal subjects, accepts their benevolence, and assents to these bills.

After which the Right Honourable the Deputy of His Excellency the Governor General was pleased to close the fourth session of the fourteenth parliament of the Dominion of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

In bringing to a close the Fourth Session of the Fourteenth Parliament of Canada, I desire to express to you my appreciation of the care and attention given the many important measures which have come before you for consideration.

It is gratifying to observe that the trade of our country is expanding as at no previous period of its history. The favourable balance for the fiscal year ended March 31st exceeded 284 millions of dollars. This expansion will without doubt be further stimulated by the inter-Imperial agreement negotiated with our sister Dominion, Australia, to which approval has just been given, and by the legislation enacted for the purpose of establishing most favoured nation trade relations with Finland and the Netherlands, including the populous and wealthy Islands of the Dutch East Indies.

Delegates from the British West Indies are at present conferring with my Government concerning reciprocal development of trade and the improvement of communications throughout British America.

Canadian trade, via Canadian ports, has been greatly developed under the policy of allowing additional preference upon commodities when imported through Canadian ports from countries enjoying the British Preference. Practically the entire importations of British goods enjoying a preference now enter Canada through Canadian ports.

To provide more adequate facilities for our increasing ocean-borne traffic, provision has been made for improving the equipment of our national harbours.

A Special Committee of the House of Commons, appointed early in the session to consider a proposal to bring about the lowering of North Atlantic freight rates, has recently reported, confirming the existence of a combine and the necessity for the establishment of an effective control over Ocean Rates. This important subject will continue to engage the attention of my advisers.

The intricate problem of the regulation of railway freight rates throughout Canada has been dealt with in a manner which it is believed will enable the Board of Railway Commissioners to present a rate structure, based upon an equalization of rates as between provinces and localities, that will be fair and just to all parts of Canada, and which should serve further to stimulate both domestic and foreign trade.

A consolidation and revision of the Canada Grain Act has been made, which should prove of direct and substantial benefit to the great agricultural industry of the country.

Rigorous enactments have been passed to aid in the prevention of smuggling and the enforcement of our revenue laws. They have been supplemented by important treaties with the United States respecting the suppression of smuggling, and of traffic in narcotics.

Agreements have also been concluded with the United States for the final demarcation of the international boundary line and the regulation of the level of the Lake of the Woods.

Amendments to the Industrial Disputes Investigation Act, the Soldiers' Settlement Act, and the Dominion Elections Act, have been among other important enactments of the session.

Members of the House of Commons:

I thank you for the provision you have made for the public service.

Honourable Members of the Senate:

Members of the House of Commons:

The numerous evidences of increasing prosperity are now happily supplemented by the prospect of a bountiful harvest. For these and other blessings I humbly join with you in thanksgiving to Divine Providence.

This concluded the fourth session of the fourteenth parliament.

END OF VOLUME V.